

Griffis, Stanton *12, 168*
x Costa Rica
x Trip

OFFICE OF STRATEGIC SERVICES

INTEROFFICE MEMO

TO: General Donovan
FROM: Whitney H. Shepardson
SUBJECT:

DATE: 7 August 1948

The attached letter from Stanton Griffis will indicate to you the developments since you went away. In the circumstances, as he sets them forth, I did not do anything either -

- (c) to hold him back on his short trip, ending at Costa Rica, or
- (b) to try to get the Department of State to intervene on Griffis' behalf or ours.

WHS
W.H.S.

SECRET

Copy

PARAMOUNT PICTURES INC.

August 2, 1943.

Mr. Whitney Sheppardson
Office of Strategic Service
25th and E Streets
"J" Building
Washington, D. C.

Dear Whitney:

I received quite a jolt this morning when I learned that the source from whom I had expected to receive flying priorities had been informed that it was absolutely impossible to grant any priorities whatever to business men along the route which I had planned to fly or by any route which would get me to the country which we have been discussing. It was stated as a fact that the State Department has specifically declared that they do not desire at this time any further visits by American business men to this country. I presume this is all part and parcel of the action of the Board of Economic Warfare referred to in the newspapers this morning.

Our managers in the various countries along the way and whom I planned to visit, have informed me that it is practically impossible to get through priorities and the chances of my being less than many weeks on the road are nil. Accordingly, it looks to me as though I had best not attempt this at the present time for I feel that it would be extremely difficult and unwise, for reasons that will be obvious to you, if your office should attempt to obtain priorities for me after I have advised the State Department that I was travelling as a Paramount Pictures official.

While all this is disappointing, I do not believe that it is of great importance to you or to me as affecting the war effort. I have been spending, as you know, a great deal of time studying the situation down there, talking to visitors from there and getting reports from American business men located there. After I saw you last week, I spent two days going over Captain Goldberg's files and reading in the cable room, etc. Captain Goldberg could not have been more cooperative. As a result, I am pretty well convinced that if you act under the existing directives very little can be accomplished from the point which we discussed.

There are fewer and fewer ships departing from this port for continental Europe and substantially all those which might be helpful or useful, go only to Spain and Sweden. The time involved is so long and the results usually so negative that I am convinced

SECRET

PARAMOUNT PICTURES, INC.

-2-

Mr. Whitney Sheppardson

August 2, 1943

that there is not much point in expanding the present organization in the country which we have discussed and I am convinced that two or three more good men, either in Spain or Sweden, could accomplish more than twenty in the location which we have discussed.

Before the General went to Europe it was somewhat of a toss-up in our discussion whether we should have our Paramount manager come up to New York to give us a full discussion or whether I should go down there. Under the existing circumstances I had best try to bring him on up, which I had planned to do anyway, on his routing visit to the home office. We can then decide what, if any, use you would like to make of our organization there.

As I had already planned to stop over in Mexico City and Costa Rica on this trip, leaving next Friday night, I had best, I think, go along and do my work down there anyway. There is some possibility of priorities out of Mexico City but they are slim.

I do not know whether the General has returned or not but if he has, you will perhaps want to discuss this situation with him and tell him that at the moment, unless you feel that it is wise to make a different decision, I shall plan to temporarily abandon any trip beyond Costa Rica.

If you disagree with my conclusions in this matter, please telephone me and I will of course be guided by your judgment. I am always at your call and perhaps it would be better to ride along and see if some other opportunity does not develop in which I can be of more service.

Best regards,

Sincerely yours,

Stan Griffis

SG:CM

SECRET

Griffis, Stanton 11,045
X Reports
X Hopkins, Harry

May 18, 1943

Mr. Stanton Griffis
Paramount Pictures, Inc.
Times Square
New York, N. Y.

Dear Stan:

✓ I have your letter and am delighted that
you have an itchy foot again. We would like
to have you move for us, and I want to talk with
you just as soon as I get to New York.

Sincerely,

William J. Donovan
Director

PARAMOUNT PICTURES INC.

TIMES SQUARE
CHICKERING 4-7040NEW YORK
CABLE ADDRESS: PAMFILSTANTON GRIFFIS
CHAIRMAN, EXECUTIVE COMMITTEE

May 10, 1943

General William J. Donovan
Office of Strategic Services
25th & E Streets
Washington, D. C.

Dear Bill:

I am just back from Florida and several days up state, in connection with Cornell University matters. I was delayed in the South longer than I expected owing to a flood of new legislation, introduced in the State Legislatures on properties which I am interested in.

Since I was in Washington I have heard nothing from Harry Hopkins, nor have I attempted to contact him, but I gather from recent events that the President is a little more alive to the importance of the matters which we discussed and is moving accordingly. I know I have heard nothing regarding any moves which you have been making.

If you want me for anything, I will be glad to run down to Washington at any time and see you -- or perhaps you would lunch or dine with me some time when you are in New York.

I have gotten myself up to my neck here in piled-up companies work, but as I told you, I would always be on call for a foreign mission if I thought I could be of enough service to you.

In any event, I am always under unending obligation to you.

Every good wish to you.

Sincerely yours,

Stanton Griffis
Stanton Griffis

SG/EG

Griffis, Stanton
X Reports
X Hopkins, Harry

March 26, 1943

Mr. Harry Hopkins
The White House
Washington, D. C.

Dear Harry:

Here is a copy of letter from Stanton
Griffis together with photostatic copies of his
report on Portugal and on Spain.

Very truly yours,

William J. Donovan
Director

PARAMOUNT PICTURES INC.

TIMES SQUARE
CHICKERING 4-7040NEW YORK
CABLE ADDRESS PAMFILMSTANTON GRIFFIS
CHAIRMAN, EXECUTIVE COMMITTEE

March 25, 1943

Colonel William J. Donovan
Office of Strategic Services
25th and F Street
Washington, D.C.

Dear Bill:

I am enclosing herewith the covering letter to Harry Hopkins on the Russian matter, to go with a photostatic copy of my letter to you dated February 9, 1943 and my report to you on Sweden and Finland dated November 20, 1942, (both attached hereto).

Mrs. Marian O'Donnell of your office has photostatic copies of:

1. My report to you on Portugal dated February 8, 1943, and
2. My report to you on Spain dated February 9, 1943.

*done -
WOP.*

I would appreciate it very much if you would have Mrs. O'Donnell attach these reports to the covering letter.

I am getting this off to you today by air mail as I promised Harry Hopkins that it would be in his hands at the end of the week.

I shall call you on the telephone regarding it on Friday.

Every good wish to you.

Sincerely yours,

Stan Lipp

March 28, 1945

Colonel William J. Donovan
Office of Strategic Services
25th and F Street
Washington, D.C.

Dear Bill:

I am enclosing herewith the covering letter to Harry Hopkins on the Russian matter, to go with a photostatic copy of my letter to you dated February 9, 1945 and my report to you on Sweden and Finland dated November 20, 1942.

Mrs. Marian O'Donnell of your office has photostatic copies of:

1. My report to you on Portugal dated February 8, 1945, and
2. My report to you on Spain dated February 9, 1945.

I would appreciate it very much if you would have Mrs. O'Donnell attach these reports to the covering letter.

I am getting this off to you today by air mail as I promised Harry Hopkins that it would be in his hands at the end of the week.

I shall call you on the telephone regarding it on Friday.

Every good wish to you.

Sincerely yours,

PARAMOUNT PICTURES INC.

TIMES SQUARE
CHICKERING 4-7040NEW YORK
CABLE ADDRESS: FAMFILMSTANTON GRIFFIS
CHAIRMAN, EXECUTIVE COMMITTEE

March 25, 1943

Mrs. Marian O'Donnell,
Office of Strategic Service,
25th and F Street,
Washington, D. C.

Dear Mrs. O'Donnell:-

I am returning to you herewith the original copies of:

1. Report to Colonel Donovan on Portugal;
2. Report to Colonel Donovan on Spain; and
3. Report to Colonel Donovan on the DeGaulle-Darlan matter.

I shall appreciate it, if you have extra photostatic copies of these reports and my other reports on hand, you will send them to me here at Paramount marked Confidential.

done 3/27/43
WOD

Please note also, the enclosed copy of a letter sent today to Colonel Donovan. The reports on Portugal and Spain are the ones regarding which I telephoned you yesterday and I would appreciate it if you would deliver the photostatic copies to Colonel Donovan for attachment to the Hopkins report.

Very truly yours,

SG:LM

PARAMOUNT PICTURES INC.

TIMES SQUARE
NEW YORK

March 24, 1943

Mr. Harry Hopkins
The White House
Washington, D. C.

Dear Harry Hopkins:

In accordance with your suggestion at our meeting on Tuesday, I am sending you through the courtesy of Bill Donovan -

1. Copy of my letter to him dated February 9, 1943 covering briefly the effect in the neutral countries of Europe of their individual feelings regarding Russia.
2. Copy of my reports on Sweden and Finland dated November 20, 1942.
3. Copy of a brief report on Portugal dated February 8, 1943.
4. Copy of report on Spain dated February 10, 1943.

These reports are pretty voluminous and I doubt if you will want to wade through them, but there may be some paragraphs of interest to you. The letter on the Russian situation I developed more fully in later discussions with Bill Donovan and in my talk with you on Tuesday. I should like to summarize the problem somewhat as follows:

In this particular discussion I am not at the moment concerned, nor do I have any definite thoughts on any forward commitments, or developments which may occur between the Allied Nations as the result of the final victory. I am concerned with a theory which if it can, with reasonable promptness, be "sold" to the Russian Government, can violently and immediately affect individual and governmental thinking in the neutral countries in Europe - and that is, the necessity for immediate emanations and statements, diplomatic or otherwise, by the Russian Government to the British and American Governments of Russia's good-will and wholehearted cooperation to an extent that will convince the neutral countries that



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Russia, Great Britain and the United States are honestly working in harmony and union and not with such divergent nationalistic viewpoints as may develop the present conflict into an ultimate war with Russia on one side and one or both of the two great Allied Nations on the other.

The neutral countries have to a degree, but not to any overwhelming extent, been pushed toward the conclusion now that the Allies may ultimately win this war after a period of great exhaustion but they are far from the opinion that it betides them any good if Russia and Russia alone should become the outstanding victor in Europe. Should they be forced to the conclusion that the victory will be a united victory, whereon they can base some hope of national salvation through the well recognized spirit of fair play of the United States and even of England as real partners of Russia, then and only then will they begin to strengthen their resistance to German demands, intimidations and economic pressure.

I have endeavored to point out to you that the belief is not only universal but becoming even more fixed in the minds of neutral nations that Russia is now going her own way and will continue to play a lone hand in the war and in the peace, if peace there be, that comes.

It is obvious from conversations with many thinking and important citizens of the neutral nations; it is obvious from the news and editorial comments on countless incidents such as the failure of the Russians to show at the Casablanca conference; it is obvious in published telegrams and approaches to Russia that remain unanswered. It is evident in every foreign capital, in the cooperation of the American and British diplomats and the aloofness of the Russians. It is emphasized in the interpretations of the Stanley-Lease Lend incident. It is apparent in political utterances in the neutral countries and it is fostered daily by Mr. Goebbels.

It seems apparent to me that the approach to Russia on this matter should be to the end that they are doing themselves and their war aims, whatever they may be, irreparable harm to permit this situation and allow their own useless aloofness to stiffen the German morale and bolster the strong pro-German

-3-

sentiment of waivering neutral countries. There is no necessity to couple the matter in hand with any present or forward commitments between the Governments, but the psychological effect in the neutral countries of an all-out change in the Russian attitude would be tremendous.

It is possible that I may be over-estimating the matter. I do not think so. I believe that if this aim could be accomplished, it would do more and mean more in the neutral countries than all of our propaganda; radio, newsreels and the thousand and one other devices; do more and mean more than supplies of petroleum products, food, enrichment through pre-emptive buying, and all the rest of our goodwill policy, however effective this may or may not have proved to date.

I have pointed out to you that the men in England who have thought most on this subject do not believe that these results can be accomplished by any Englishman and you have only to review the history of Anglo-Soviet relations for the past twenty-five years to understand why.

I have told you, and I believe it, that you are probably the only man who can accomplish it with reasonable speed and efficiency because you are almost the only one, except the President, whom the Russians in general trust at all. If you cannot attempt it I hope that ways and means can be found to accomplish it for I know of no more important subject affecting the war today.

As I told you I am going down to Florida for a few days on Sunday. My secretary will always know where to find me and I am at all times at your disposal if I can be of service.

With kindest personal regards,

Sincerely yours,

/s/ Stanton Griffis



OFFICE OF STRATEGIC SERVICES

UNITED STATES OF AMERICA

BY AIR POUCH

9 February 1943

AMERICAN EMBASSY

LONDON

Colonel William J. Donovan
Office of Strategic Services
Washington

SECRET

Dear Bill:

Last Friday, February 5th, on my return from Portugal, I wrote you a long personal letter which went into the Embassy mailroom on Saturday and which I trust has reached you long ere this. Since that time I have dictated summaries of the current situation in Portugal and Spain which are not yet fully typed, but I want to get this letter off to you as early as possible.

I have now spent about four and one half months in Europe and most of this time has been spent in Sweden, Finland, Portugal and Spain, - three ostensibly neutral countries and one with which we are at least not yet at war. I have studied and observed much, talked with and discussed the national feeling with countless people in these countries and in England, and out of the whole thing comes one obsessing thought which I must give you and that is the overwhelming importance of some kind of a clarification to the world of the Allies' relationship to Russia and the Russian war aims.

The result of the deep-seated, long-standing hatred of Russia has brought the Allies to a point where

In the three neutral countries, Portugal, the absolute and basic position of the government and popular thought is based today not on who is the best ally, but on who will be the best ally. The aspirations, not on what can be established, but on what is Russia shooting for?

We can baby and pet Sweden till the cows come home. We can let her grow fat and prosperous at our expense by pouring millions of tons of materials into the heart of the German war effort against us. And we can do every unconscionable thing in the fantastic hope that Sweden will be a friendly power when, us, and if we invade Norway, but it will avail us nothing so long as Sweden feels that her ultimate enemy is Russia. And when we have done all these things and Sweden fears that Russia may sweep through Finland to face her on Finland's west coast, she will still come into the war on the side of Germany and not on the side of the Allies.

In Spain we can buy Spanish oranges at five hundred dollars a dozen and we can fight Germany by any economic, psychological or propaganda warfare, or by any method from gangster to kid-glove diplomacy, and we will still find that the guiding spirit of Spain is a fear of Bolshevism and a hatred of all things Russian, and that in the last analysis anything that is pro-Russian is anti-Spanish.

In Portugal you can have an English alliance extending back for hundreds of years, an ostensible predisposition towards England and its Allies, and a deep admiration for America. You can still be assured that if you scratch the surface of the suave friendship and the economic balance of Salazar, you will find underneath an almost fanatical anti-Russian.

So long as we permit the neutral press to treat the Casablanca meeting as interesting solely on account of the fact that Mr. Stalin or his representatives "stood up" Mr. Roosevelt and Mr. Churchill, with the idea that Russia would run its own war in its own way, just so long will we in the last analysis accomplish little or nothing in these countries although we may appear to be making tremendous progress.

The neutral world in Europe, confused as it may be in its ideas as to who will win the war, still thinks that when the war is concluded Mr. Stalin will sit at the head of the table and say, "Well, what did you boys do in 1941 and 1942? What victories did you win while I was carrying the burden of Germany, and what the hell are you here for anyway in Europe? Now go home and be good boys and let me have what I want - it's really none of your business!"

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All of which leads me to say that unless this situation is changed and changed speedily, unless in some way we can break down the Russian suspicion and reserve, either through intelligent representation in Russia or otherwise, and unless we can by some fortuitous effort force Russia into some kind of a real declaration of its war aims, we are making a lot of false motions and doing a lot of useless work in the neutral countries. I do not know how this can be accomplished. I only know that it must be accomplished some way. ¶ Probably the most astute political observer in England today is Beaverbrook and after talking about it privately for four months he has suddenly come out with his attack in the House of Lords on the English failure to really help Russia. What he has up his sleeve I do not know, but I feel confident that he would echo the feeling which I have just expressed to you.

I had a long talk with Dave Bruce on this matter last night and I am going to try to persuade him to talk at length to Beaverbrook, who knows more about and understands more of the Russian situation, I think, than anyone here. In the meantime, I commend these thoughts to you in Washington.

Sincerely yours,

Stanton Griffis
Stanton Griffis

SG:ts

*Griffis, Stanton, 10556 A**x Rubin, J. Rost.**x Motion Picture Funds**x Spain*

LOEW BUILDING 1540 BROADWAY
NEW YORK

J ROBERT RUBIN
VICE PRESIDENT
AND
GENERAL COUNSEL

February 15, 1943.

Colonel William J. Donovan,
Coordinator of Information,
Washington, D. C.

My dear Bill:

I received your letter of the 6th with a copy of the telegram from Stanton Griffis and asked our treasury department to comply with Stanton's request. It seems as though a permit is necessary to change your banker, but I have asked them to secure it.

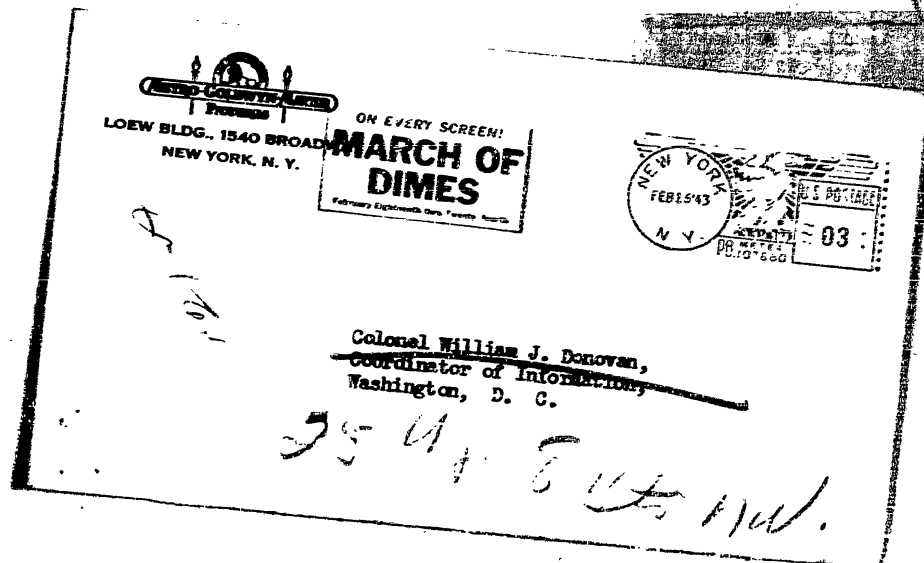
Have done nothing about asking Will Hays because Will is in California and does not expect to be back until sometime in the next two weeks. It would be better to wait until he returns rather than to try somebody else who might not be effective. I am, therefore, not sending it on to the Hays Office but will await Will's return.

With kindest regards and best wishes, I

am

Yours,

JRR:R.



Griffis, Stanton 10.556 A
x Rubin, J.R.

February 6, 1943

Mr. J. Robert Rubin,
Loew's, Inc.,
1540 Broadway,
New York, N.Y.

87. 0122.0/c.
L. J. Hays

Dear Bob:

Here is a cable from Stanton Griffis. I
think you should see it and pass it on to Will Hays.

Sincerely,

William J. Donovan
Director



OFFICE OF STRATEGIC SERVICES
UNITED STATES OF AMERICA

BY AIR POUCH

February 11, 1943

AMERICAN EMBASSY
LONDON

TO: Colonel Wm. J. Donovan

FROM: Stanton Griffis

Please attach to my memorandum on Portugal, sent to you on February 8th last, the enclosed memorandum concerning the best types of American films for display in Portugal. This memorandum was prepared by Mr. Rivinkel of the OWI organization in Lisbon.

cc Rogers
cc O'Meara
cc Cyphers
cc Sheppard
cc A.

Stanton Griffis

by [signature]

ATTACHMENT

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MEMORANDUM CONCERNING BEST TYPES OF AMERICAN FILMS FOR DISPLAY IN PORTUGAL

American films have an overwhelming popularity in Portugal, followed by the British. German feature films are few and movie house owners are loath to venture their exhibit. It is estimated that perhaps 80 percent of all films shown in the regular movie houses are of American origin. Roughly 10 percent are English, a bare 5 percent are other foreign films. Aside from the censorship requirements and taxes, there are no known restrictions on the entry or display in Portugal of American films.

German newsreels are shown in the large metropolitan movie houses, but usually in conjunction with British or American newsreels and only because there is, as a gesture of neutrality, some pressure to display them. The small outlying movie houses rarely show them because of their limited popularity. Newsreels of recent date are regularly exhibited throughout the country. The best American newsreels at present are those produced with Portuguese commentary by the United Newsreel Corporation and sent here by Clipper for commercial distribution.

The Portuguese are a great movie-going people and all films are always enthusiastically attended by all strata of society. Unfortunately, a great percentage of the population is illiterate and therefore greatly influenced by movies, from which it derives almost all of its information about other peoples and about foreign conditions and ways of life. The vast majority of the Portuguese population is basically well disposed toward the United States and thinks of our country as the present savior of the world and the future leader in international affairs. All information about America is therefore eagerly consumed and always welcomed.

It is important, especially today, that the information conveyed through the important motion picture medium of films be of the right type in a country which is constantly being subjected to a flood of information and misrepresentation by all parties in the present struggle. The average Portuguese

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is actually very badly informed about conditions in America and often has distorted and fantastic ideas about the life which he has gained, with the assistance of his imagination, from American films. For example, many persons seriously believe that large-scale gun and tear-gas fights in our city streets between rival gangs, or between police and gangsters, are very commonplace in America. Many also believe that the average American spends most of his time dancing in night-clubs or attending gay and spectacular parties.

American films in Portugal today should deal with the average American way of life and the great benefits and opportunities the American derives from the American system. Although the Portuguese likes amusing films, he wants also to know how Mr. Average Citizen out in railroad country, Iowa, lives. People here know very well that the United States are wealthy, powerful and have tremendous resources and productive capacity. They are now interested in the human factor and in the social conditions and relations of the average people. Lastly, they are interested to know whether the United States are working for a better life for the individual and what part our country will take upon itself in the post-war world.

Future films which appeal most to the Portuguese taste are biographical, historical, and light musical reviews, as well as those based on well-known novels. Types to be avoided are those which deal with lawlessness, vice, synthetic glittering life, sordidness, and social injustices. Such films, good as they may be in the United States, are abroad exploited by the enemy and have an adverse effect on opinion toward our country.



OFFICE OF STRATEGIC SERVICES
UNITED STATES OF AMERICA

BY AIR POUCH

February 11, 1943

AMERICAN EMBASSY

LONDON

TO: Colonel Wm. J. Donovan

FROM: Stanton Griffis

Please attach the following to the memorandum on Spain, sent you yesterday:

- (1) Summary of new Spanish Government official news reel, first issue.
- (2) Map, "La ofensiva Russa," showing typical Spanish newspaper publicity belittling Russian war effort.
- (3) Memorandum on wine prices in Spain prepared by Frank Schoonmacher entitled "inflation in Spain."
- (4) Copy of cable received this morning from William Patterson, OWI head in Spain, referring to arrangements being made for goodwill picture and news reel speech of Franco.

SG:ts

Stanton Griffis

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New Spanish NO-DO newsreel's first issue currently being shown in Madrid theaters. Composition in sequence follows:

- (1) Introductory quick survey shots purporting to show the New Spain including views of Franco, victory parade at end of Civil War, Falange youth parade, departure of Blue Division troops QUOTE to defend Western civilization UNQUOTE on the Russian front, industries, agricultural and fishing scenes, troops in Morocco.
- (2) ITEM: Christmas. Shots of Falange women packing gifts for Blue Division troops.
- (3) ITEM: SPORTS.
 - (a) Soccer game between Spain and Italy with elaborate shots of preliminary ceremonies representing QUOTE friendship UNQUOTE between the two countries.
 - (b) Demonstration of feminine gymnastic training in Berlin.
- (4) ITEM: FASHIONS
- (5) ITEM: Picking of cotton in the Ukraine to be used for QUOTE the European economy UNQUOTE.
- (6) ITEM: Italy rations gasoline.
- (7) ITEM: Arrival of Spanish economic mission to Argentina in Buenos Aires and subsequent signing of the pact.
- (8) ITEM: From Hungary local festivities preceding the departure of troops to the Russian front.
- (9) ...

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(9) ITEM: BLUE DIVISION

Arrival of Munoz Grandes in Madrid and subsequent reception of the Pardo.

(10) ITEM: Franco visits Alcazar ruins, where Mass celebrated and Minister of War Asensio delivers address.

(11) ITEM: American troops attend mass in Westminster presented without comments but with Star Spangled Banner background at outset. Subsequent shots of children being entertained by US air corps.

(12) ITEM: JAPAN

Emperor reviews Japanese troops categorically labelled victorious.

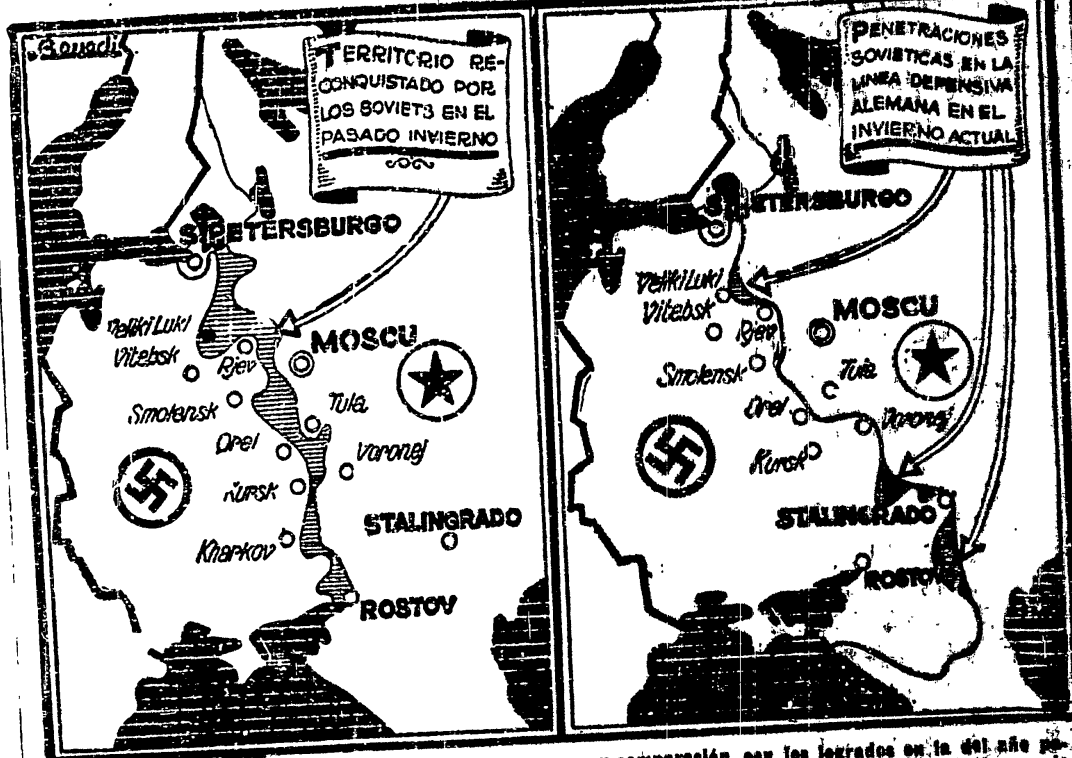
(13) ITEM: WAR FRONTS

(a) Nazi troops fighting in Caucasus shows.

(b) Russian attacks QUOTE hurled back UNQUOTE by Nazi forces.

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LA OFENSIVA RUSA



He aquí gráficamente los efectos de la ofensiva rusa y su comparación con los logrados en la del año pasado. A la izquierda el terreno conquistado —y luego perdido— por los bolcheviques en el invierno de 1941-42. Y a la derecha el ocupado hasta ahora durante el invierno de 1942-43. Visiblemente mucho menor, no obstante las exageraciones de la propaganda soviética.

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INFLATION IN SPAIN

Certain commodities, notably those which are not rationed, not scarce, and which are not now and never have been in the past exported in real quantity, can be used as an index for determining the probable real value of the Spanish peseta. I know of no Spanish commodity of any importance that meets all of these conditions with the single exception of ordinary table wine, especially the sort of table wine which was too expensive to be shipped to France for blending purposes before the War and which forms the daily beverage of the Spanish middle class.

Such wine (Rioja, for example) is not rationed, and not scarce, although there is no over-production. Its price here in Spain has never been materially affected by imports or exports, since the little French wine which Spain imported was non-competitive, and since not over 5% of Spain's production of such wine was ever exported.

It is interesting, therefore, to compare the prices at which such wines were sold in the spring of 1940 with the prices which such wines bring today. Here, for example, are the wholesale prices of a typical, successful and well-managed company, Federico Paternina, S. A. The prices are per case of 12 bottles, F.O.B. Haro, in Spanish pesetas:

	1940	1943
Vanda Azul	29.20	55.80
Vanda Roja	32.70	66.30
Cepa Borgona	41.20	82.80
Gran Reserva	87.20	193.80
Cepa Rhin	49.20	97.80

In 1940, it was possible for an American importer to pay for these wines 30% in blocked pesetas, worth four and three-quarters cents, and 70% in ordinary pesetas at the official rate of 9.15 cents each. Today no such arrangement exists and all pesetas must be purchased at the official rate, which remains unchanged. Here, therefore, are the comparative prices of the wines listed above, expressed in dollars:

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	<u>1940</u>	<u>1943</u>
Banda Azul	2.50	5.10
Banda Roja	2.56	6.04
Cepa Borgona	3.24	7.58
Gran Reserva	6.81	17.73
Cepa Rhin	3.89	8.97

Since 1940 the quality of these wines has if anything declined, and wages in the Rioja district have not gone up over 10%.

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CABLEGRAM

MADRID 10 FEBRUARY 1943

Stanton Griffiths
Paramount Pictures
1st Wardour Street
London

MALE LEAD INTERESTED PICTURE PROPOSAL BUT ASKING
NUMEROUS QUESTIONS ABOUT DISTRIBUTION WHICH TRYING ANSWER
REASSURINGLY STOP WARMEST GREETINGS BEST LUCK

WILLIAM PATTERSON



OFFICE OF STRATEGIC SERVICES
UNITED STATES OF AMERICA

BY AIR BOUGH

10 February 1943

AMERICAN EMBASSY
LONDON

TO: Colonel Wm. J. Donovan
FROM: Stanton Griffis

SECRET

Certain addenda to the attached report on Spain, such as specimens of German newspaper propaganda in Madrid, summaries of the first issues of the State news reel, et cetera, will follow shortly.

Stanton Griffis

ATTACHMENT

SG:ts



OFFICE OF STRATEGIC SERVICES
UNITED STATES OF AMERICA

BY AIR ROUTE

9 February, 1943

AMERICAN EMBASSY
LONDON

TO: Colonel Wm. T. Donovan
FROM: Stanton Griffis

SECRET

SPAIN

The plane service from Lisbon to Madrid is excellent and, as you know, planes from the same field run daily between the two capitals, both on the Spanish line and the Lufthansa and less frequently by the Italian line. As Lisbon represents the backdoor to all Spanish markets and the operating headquarters of the "estraperlo," an the Spanish black market is called, the planes are well patronized by Portuguese and Spanish businessmen, but there is usually no difficulty in obtaining a seat if an application is made a day or so in advance, and except for the age of the planes the service is well and efficiently operated.

In Madrid, the visitor comes upon one of the most confusing, appalling, and fearsome situations which exist even in the war-torn world today. A few miles north of the city, living at El Pardo - an old palace of almost feudal splendour, is the national Dictator, Franco. He spends most of his time in a quiet family life and is becoming fatter despite his almost daily hunting and apparently withdrawing more and more from active contact with the government and its agencies, developing what is apparently almost a shyness of parschallity and either by drift or inclination becoming more and more a legendary figure.

To the south in Madrid, still torn and scarred by the Revolution, in a capital city which owes its chief existence now to the presence of a great, sprawling, bureaucratic government, flourishes one of the most dissolute and corrupt groups to have held power for many generations. The black market is the topic of every conversation both private and official, permeated the entire nation, and in the popular mind is operated like

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by large and small businessmen and by members of the government itself.

France's theory of operation is simple. Internally he has come to power through being the victorious general of the Revolution, and this power he holds by playing against one another the four chief social and political factors - the Monarchists, the Falangists, the Army, and the Church. Though the people may starve, so long as the Army is well fed he holds the trump card and the electorate - if there were one - would vote for him on the old Woodrow Wilson theory, "He has kept us out of war," for it is war above all things that the Spanish individual alone to the remembrance of the terrible days of the Revolution desires to avoid.

Externally smiling on the Allied Governments and their representatives, and far from unkindful of the tremendous amounts of pounds and dollars being poured into the country by preemptive buying of Spanish products, he continually throws sopas to Germany by frequent trans-mission of special envoys to the Fuehrer, by an iron-clad censorship which translates every Spanish news article in favor of the Axis effort, and by a publicity campaign - far beyond the real importance of the subject - dramatizes the famous Blue Division recruited from Spain and fighting with the Germans against Russia. This division of probably less than twenty thousand men at any time is popularly supposed to balance the number of men which Germany sent into the Spanish Revolution to help Franco, but with constant newspaper campaigns to raise funds and presents for its members by almost daily publicity of its activities, by demonstrations to its returning officers and men, and by the flamboyance of its uniform, its importance is terrifically magnified throughout Spain.

The keynote of every Francoonian and real or pseudo government utterance in Spain today is an unswerving hatred of Russia and things Bolshevik, finding its genesis in Franco's rise to power against the help of the Russians to his enemies. The almost unanimous viewpoint and writings of American journalists too, opposing Franco during the revolution, are far from forgotten and the tremendous German influence in all departments of the government is extremely real. Any favorable news whatever in connection with the Allied efforts are immediately smothered in all Spanish newspapers, and every British and American propaganda effort has a desperate swim against the tide.

Only recently, under the influence of Salazar and no doubt American and British advances in North Africa, has there been the slightest apparent weakening in this regard of the Spanish Government or of the Spanish press. I have already referred to the recall of the former German Ambassador following the formation of the Iberian bloc and the arrival of von Moltke, the new German Ambassador, who recently came to Madrid with a great blare of trumpets and who, in the words of the British Ambassador in Madrid, arrived with "an iron fist" which, also in the words of the Ambassador, "will fail."

The Monarchists and the Capitalists in Spain are, of course, satisfied with the status quo and all pro-Axis pressure in Spain today emanates from the Falangista Party. Yet, all in all, there may be a slight trend today towards the improvement of Spanish relations towards the Allies. The straws in the wind seem to be the dismissal of Suner and the elevation of Jordana, the development of the Iberian bloc, the apparent integrity and fearlessness of Jordana, the decline of German credit in Spain, the increasing dependence of Spain on American and British supplies, and the importance to Spain of its rising dollar and sterling balances. However, Franco who is almost Russian in his stubborn, suspicious, peasant mind, although apparently personally honest and completely all out for Spain, is the unpredictable X in the political mathematics.

It is, I believe, in the economic and not the political situation where the real danger of a complete upheaval in Spain lies. The nation today represents the picture of a few people - largely bankers, speculators and government officials - making tremendous amounts of money out of Allied buying and black market operations of all sorts. While the great mass of the people are beaten and bewildered by an almost daily rise in the cost of living while the country is strictly rationed and supposedly held in the grip of price fixing for substantially all foodstuffs and commodities, while there is a fixed rate of exchange and in theory no other rate is permitted, while economic rules of every sort are promulgated, actually not the slightest attention is paid to any of these laws or regulations. It is said by all and sundry that not even the lowliest peasant can keep body and soul together under the rations allotted him, either because they are insufficient per se or because the food covered by his ration card is completely unobtainable at the official prices. The same

bread which sells per unit for one and one half pesetas on ration sells for fifteen pesetas in the black market. Sugar sells in the black market for 28 pesetas a kilo or approximately \$1.50 per pound at the official rate of exchange. Meat at 30 pesetas per kilo, flour at 122 and butter at 50 pesetas represent some of the recent black market quotations. While lorry gasoline is for sale officially at two pesetas per liter, and pleasure gasoline at five pesetas, the established practice on the road is to buy gas at around ten pesetas per liter on the plea that you will produce your coupons next week and the difference between the price charged and the official price will be refunded. That is a bourne to which no traveler returns. A frequent result of this kind of situation is that in times of temporary gasoline shortages, taxi drivers purchase their gas rations at official prices, re-sell them at much higher prices and live quietly at home with their taxis in the garage. The same general practice is apt to apply to the licensed owners of gasoline fishing boats. One of the laws consistently disregarded is that which provides that no taxi or car can drive outside of its city without official permission.

No one knows better than the government officials and perhaps no one talks more than the government officials regarding the flourishing condition of the black market and it is the general and cynically-accepted opinion in Spain that the market is allowed to flourish chiefly because the government officials themselves are profiting through its transactions.

Of course, the entire Diplomatic Corps is openly or secretly engaged in black money operations. As I have pointed out, it is obvious that with the Lisbon market for pesetas at around twenty-one to the dollar and with the official rate in Spain at around ten, no one who can add two and two together is willing to pay the official rate, and accordingly Lisbon is one of the chief beneficiaries of the Spanish money situation. The temptation to a foreign government official charged with buying any goods and who is not under financial control is obvious. The buyer of ten thousand pesetas worth of goods who represents that his purchase was made at official rates can, without undue difficulty, obtain his pesetas at half the official rate and make a personal profit of fifty per cent.

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With the complete dislocation of world currency, it is difficult in the ordinarily accepted economic terms to estimate the value of the peseta. The Lisbon market, as I have stated, is widely erratic, but at the present time is between 20 to 21 pesetas to the dollar. Various bankers and economists differ widely on their own estimates of what it is really worth in buying power of commodities. I have heard British bankers in Madrid estimate it as worth 18 pesetas to the dollar. Walzer, the head of the United States Commercial Corporation in Spain, estimates it as worth 25 to the dollar. Frank Schoonmather, who has made a very careful study of the matter and has had a wide experience in Spain for years, believes that the peseta is worth between 2 $\frac{1}{2}$ and 2 $\frac{3}{4}$ and backs up this opinion by a careful study of prewar and present wine prices which have been virtually unaffected by war influences such as preemptive buying, et cetera.

As I have pointed out, such buying by separate or combined allied purchasing agencies has a marked influence on the economic fabric of Spain today. In the battle for wolfram the price has been pushed to at least ten times the world market, and the price of olive oil and a number of other commodities to a percentage somewhat less astronomical. The Allies buy sheepskins, textiles, woolen goods of all sorts, olives, olive oil, cork, and various other commodities. Germany buys wolfram, skins, iron, pyrites, lead, iron ore, et cetera, in exchange for coal, machinery, pharmaceuticals, et cetera, but it is estimated by the allied purchasers that she will not be able to meet more than twenty-five per cent of her commercial treaty agreements during the current year. Apparently the credits given to Germany by Suner of upward of three hundred million marks are not being increased, but on the other hand through Allied buying Spain is reported to have built up a dollar balance of around eight million dollars and a sterling balance net of British credits of approximately a million and a half pounds.

Where all this strange action and counter-action of economic influences in Spain will lead is difficult to determine. It is something new in a world pattern but certain it is that the inflation spiral in Spain is increasing in pace. The unhappiness of an economically bewildered peasantry is heard from all ends of the country to the other and again I repeat that carrying a political or military disturbance from an unorganized quarter the upheaval in Spain and the civil insupportable pressure on the Franco government will come from an unbearable economic

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situation rather than from the many conflicting political influences in Spain, though it will of course be influenced and urged by rising political aspirations and by the tremendous population which remains inimicable to Franco whether they are quiescent and at large or, as is frequently reported, part of the population of several hundred thousand former enemies held in prison.

In this theory I am not entirely at one with the American and British Ambassadors who believe that the entire question in Spain is a military one depending solely on when, as, and if Hitler either feels that he has the manpower or it is to his final interests to march into Spain. Sir Samuel Hoare feels that the danger of the inflationary spiral is great, but that so long as the army is fed and controlled all will be well. He does not believe that Germany has anywhere near sufficient manpower today to risk an invasion and the defense of Spain.

There is little difference of opinion in high sources, as there is in Sweden, as to whether or not Spain would attempt to defend herself against an invasion. While, as I pointed out, the entire population is still war weary and violently opposed to any military entanglements except their posture against Russia, there is a universal feeling that Spain would defend itself in any eventuality. While Spain has substantially no air force or navy, she has a war-hardened army of probably 350,000 men under arms and most of these are probably good fighting men, for that is a Spanish characteristic. But it is the general belief that the corruption of the government and the influence of the years since the Revolution has softened the officers to a point that at least in the beginning the army would have little or no leadership. Caldwell, the manager of the Telephone Company, who has been in Spain for many years, has no doubt whatever that Spain would fight viciously against any aggressor and his knowledge is backed by his close contact with the War Office through the manufacture by his technicians of many war materials for the Spanish Government.

From the point of view of the scope and effect of Allied propaganda in Spain, our situation could hardly be worse. Any of the Spanish daily newspapers might easily have been printed in Berlin so far as the integrity or accuracy of their news is concerned. Unquestionably encouraged by Franco's strategy, probably highly subsidized by the German Government and, in the opinion of the Allied governments in Spain, steadily falling in circulation the Spanish newspapers nevertheless represent practically a division of Dr. Goebbels' Ministry of Propaganda. Any

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news favorable to the Allied cause is usually diluted or misinterpreted and even the actual Allied communiques buried as far inside the newspaper as possible. All Russian advances are characterized as part of brilliant German strategy, although in recent weeks the explanation of the North African and Russian situation has called for violent journalistic contortions.

The British Ministry of Information boys, while long in the field, do not seem to have made much of a dent in the situation and are apparently badly torn by internal Embassy strife. Our own OWI boys have but recently gotten started but I believe that the OWI head in Spain - William Patterson - is brilliantly adapted for his job. His Spanish is excellent, his diplomacy seems brilliant, and he is exactly of the type to succeed with the Spanish temperament. However, he is under-staffed, has substantially no available help or manpower, and his efforts and those of the British must be contrasted with a long developed, highly organized German organization controlling the press and the censorship, entirely unscrupulous in its use of funds in a country always highly susceptible to these methods, and operating a tremendous mailing list and propaganda contacts throughout the nation. In addition to this, the German Government has rented and operates two large stores in the center of Madrid on the Grande Via, under the name of "Allemania" and "Tourista" respectively, in which large crowds congregate daily to read frequent mimeographed war bulletins, handed out in quantities and highly colored, to look at pictures of German victories and to absorb great quantities of freely-offered German propaganda. We, on the other hand, are just beginning to circulate a few pamphlet pieces of propaganda which, of the last two, one was suppressed by the censor on account of its violent personal attacks on Hitler and the other, devoted largely to the magnificent design and efficiency of the aircraft carrier HORNET, became obsolete before its arrival on account of the destruction of the HORNET.

These comments are given as facts, not as criticisms, for the Germans are longer established, nearer, and have all the great advantages of tremendous pro-German feeling, while our boys are new in the field, have little help, and of necessity are slow in getting started. They are, however, I believe, able and efficient and given proper backing should be of great help in Spain.

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In radio, the old battle for control of the air continues as in the other neutral countries. There are not many short-wave radios in Spain and the radio situation there has been much as it was in Sweden, with constant attempts of the Germans to block off the British and American propaganda. The same criticisms which I have made of the BBC efforts in other countries apply with equal force in Spain, but the same appreciation for the magnificent work of "The Voice of America" programs also applies.

Again with, I suppose, my constant over-emphasis of the value and importance of American propaganda and influence through the medium of motion pictures and news reels, I come to this subject in Spain.

In 1936 following the beginning of the Spanish Revolution, most if not all of the American companies discontinued business in Spain or the shipment of films thereto. In many cases, several of their employees were killed and the remainder scattered. Films were lost, destroyed, or confiscated. All peseta balances were unavailable for export and the almost hopeless turmoil of the various forms of Franco and Red pesetas ensued. In many cases organizations were kept together, paid, and peseta balances increased through the exhibition of the old films existing in the country which were sent round and round. Few American companies have organizations remaining in Spain although recently a number of pictures for import into Spain have been sold in Lisbon outright for dollars.

During this period of six years and continuing to January 1st, no American or British news reels to speak of have been shown in Spain. United News Reels have never been shown and Fox Movietone, half-owned in England, was censored to death and the last to give up the ghost. The result of this history has been a tremendous growth in the Spanish motion picture industry which produced forty-three pictures in each of the last two years, and the development on January 1st of the government news reel, NODO (Noticiarios Documentales), which is distributed by the Spanish Government who took over the UFA equipment and cameramen and is attempting to make one hundred prints a week for distribution to the approximately 1,600 theaters in Spain. NODO is under the jurisdiction of Sorriano,

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head of the sub-commission, Reguladora de la Cinematografía, who has become the dictator of the motion picture industry in Spain. In effect, this development marks at least a partial advance in our efforts to show American and British news reels in Spain. It marks the end of UFA and LUCE, the Italian news reel in Spain, and as no other news reel except NODA will be permitted officially the Government has stated that it will accept news reel shots from all countries, and the policy of the OWI is to attempt to share in footage to as great an extent as possible with the Spaniards, the Portuguese, the Germans, and the Italians. What progress along this line can be made will depend largely on the actions of our OWI representatives, their influence on Lloriano, the final Franco policy and probably, too, on our ability or lack of it to help the sub-commission in its desperate efforts to obtain rawstock.

Despite the fact that German pictures are neither liked nor accepted in Spain, and despite the fact that in 1942 there were probably around forty Spanish pictures, seventy-five American pictures, and only three German pictures shown in Spain, nevertheless Germany is reported to have shipped to Spain over nine million meters of rawstock last year as against approximately 300,000 meters received from Kodak or Dupont from England or America.

The situation of rawstock in Spain today is approximately the same as in Sweden -- that is, a hard to mouth supply. As I wrote you in less detail, the British reported that on January 2nd a million and a half meters had been shipped from England. Subsequent inquiry late in January developed the fact that no such shipment had been made and through the personal intervention of Sir Samuel Hoare direct to Mr. Brendan Bracken, which I arranged, it is now again reported that this shipment is on the way. Substantial promises too have been made by OWI to furnish rawstock to Spain but I have not as yet been able to determine whether such shipments have actually been made or will be made.

Not only is a complete cessation of the government news reel possible or in prospect unless help is given, but certainly at least fifty or sixty American pictures remain unexhibited in Spain for lack of rawstock today. While all assets balances are still frozen and accordingly the American companies have no way of recouping even their film manufacturing costs unless pictures are sold in Lisbon in the black market for dollars, nevertheless the situation is

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so serious that Sorriano is willing to pay for rawstock in dollars and re-allot to the news reels Spanish and American companies for payment in pesetas.

During the past few months a tremendous boom has developed in Spain throughout the entire motion picture industry. The motion picture houses are crowded, from the first-run houses in Madrid and Barcelona to the smallest one-a-week house in the country, and the pattern in England and other countries is being repeated. Despite the fact that only approximately five prints are allowed for each picture for the entire country, the rawstock shortage threatens to destroy the entire business and propaganda value, and if the Germans and Italians are able to furnish stock the inevitable result will be exactly as it has been in Finland -- a complete edging out of American and British pictures and newsreels and an influx of German and Italian pictures.

One Spanish custom and law which is difficult to break down but on which progress is being made is that which requires that all foreign pictures be dubbed into Spanish. Subtitles, which have become so popular in Sweden that dubbed pictures are not acceptable and which have a tremendous influence in teaching the use of the English language to great masses of the population, are forbidden although, in a long meeting with Sorriano, he agreed to permit us to try subtitles in certain of the large cities as an experiment. He takes the position that as unfortunately Spanish literacy is only fifty per cent, a large bulk of the population would not be able either to understand the language or read the subtitles if this method was used. It is a tough problem and I think can only be partly solved through the use of subtitles in the larger centers of population where we will be able to reach at least a large percentage of the theater-going public. But neither this nor any other problem in connection with American motion picture propaganda in Spain can be solved unless the rawstock question is solved and on that I hope to have further information shortly.

One important consideration which must be kept in mind by motion picture producers and by the powers that be in American picture propaganda in Spain is the extreme catholicism of the country. Pictures of any Catholic scenes in America are extremely important and should be emphasized in any operation in Spain.

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The situation as to American and English books, magazines and newspapers in Spain is extremely bad. Substantially no books, newspapers or magazines in English have been permitted in Spain since 1936. A survey of the book stores in Spain reveals a few ancient Tauchnitz books of about 1930 and '31, and substantially the only available books in English in the entire country are to be found in the tiny lending libraries operated in connection with the British and American Embassies. No English or American newspapers can be purchased anywhere and the American in Spain, except for the daily mimeographed sheets of radio and State Department news, is as completely cut off as the traveler to the head waters of the Congo.

I recommend strongly that the matter of negotiation with the Spanish Government and the arrangement through the OWI of the importation of American and English magazines and newspapers be expedited with all possible speed.

In the matter of books, I have had a number of negotiations with Spanish publishing companies and distributors who are in turn negotiating with the Government to raise the ban on American novels, technical books, et cetera, so that they can be imported into Spain. Whether these efforts will be successful or not I do not know, but I have strong hopes that they will. I am not sanguine enough to believe that the Spanish Government will permit the export of dollars for books even to the extent of paying the publishers' actual manufacturing costs, but despite this I believe I can persuade most of the American publishers to send books into Spain as part of the war effort even if they have to receive their payment in blocked pesetas. These negotiations have been carried on following my departure from Spain by Patterson of the OWI, and should bring results. For as long as the hunger for English books in Spain is unappeased continual progress is bound to be made by the German and Italian publishers who are sending in quantities of their own language translations of popular American and English novels.

From Portugal and London I have called and written you regarding the transferring of peseta balances of American companies in Spain from the watchful and unfriendly Spanish banks to the British banks for emergency use through loans by the various British and American government agencies in Madrid. However, the American war effort and operations in the Iberian Peninsula cry out for the opening of a bank or branch bank in Spain. Not a single American banking

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agency of standing remains in the country and it would be of tremendous help to have one or more established or reopened in the large centers, particularly Madrid and Barcelona. I believe that the last American bank to close its agencies there was the National City Bank and they would be the logical ones to reopen. While there might be some substantial risk in the operation the tremendous resurgence of Spanish goodwill that would develop with the feeling that American commerce was really coming back to Spain to stay, would be well worth the risk and would be of inestimable help to the American government agencies in Spain. I tremendously hope that the City, or one of the large banks, may be subject to persuasion along this line, and this I shall discuss with you further.

Stanton Griffis
Stanton Griffis

SC:tb



OFFICE OF STRATEGIC SERVICES
UNITED STATES OF AMERICA

BY AIR POUCH

AMERICAN EMBASSY
LONDON

8 February, 1943

TO: Colonel William J. Donovan
FROM: Stanton Griffis

SECRET

PORTUGAL

The planes from England to Lisbon make the trip almost daily and are operated by Dutch pilots in the Douglas planes which escaped from Holland. They make the trip in anywhere from five to eight hours and descend upon one of the best airfields in Europe, a few miles from Lisbon and not far from the bay where the Clippers land. Adjoining the field is a scene which typifies the spirit of Portugal - a large and beautifully designed new government housing project which has just been completed but which remains unoccupied due to the fact that the designers unfortunately completely overlooked a sewage system.

Portugal is almost a musical-comedy country now. The cloud of refugees which descended upon it from all parts of Europe after the beginning of the war, and particularly after the various German occupations of Northern Europe, have either passed on to America or England, settled down to life in Portugal or, as was the case with many having entered the country illegally, are now rather pleasantly interred in a small village a few miles from the capital where they have substantially complete freedom and are even allowed trips to Lisbon two or three times a week. The tumult and the shouting has died; the hotels at Estoril, formerly crowded with refugees and alleged secret agents, are virtually deserted; the expensive restaurants have few customers and, except for an occasional influx of crowded Clippers, the city has reverted to its old quality and more or less unimportance except as a gateway and listing post of Europe. It is reported that the great majority of the mass of German agents formerly in Lisbon

have been withdrawn and from every angle affecting the war, the city and its people give an air of having sunk back into pre-war lethargy.

To the American, Portugal seems almost like a British colony or a British protectorate. The stamp and influence of the old British alliance and trade agreements is seen everywhere and there are innumerable first to fifth generation English living and doing business in Portugal. The London daily newspapers are to be found at countless news stands in Lisbon, often the day after publication and infrequently more than three or four days after London issue. British magazines and books of all sorts and of recent issue are on display and sale, as compared with the complete lack of American newspapers and copies of TIME, COLLIER'S, et cetera, of vintage ranging from two to six or eight months old. British goods of every kind are to be found in the shops, and it is far easier and cheaper to buy a good many British commodities such as Scotch whisky, tobacco, et cetera, in the shops of Lisbon than in the shops of London.

An example of the importance with which Portugal is regarded by Great Britain may be found in the fact that the British Embassy there with its attendant agencies, press departments, et cetera, employs something over four hundred people as against 103 in the American organization and a reported two hundred for Germany. Great Britain emphasizes this importance by giving its representative the rank of Ambassador, as compared with our own diplomatic title of Minister.

From a military point of view, except for its geographical location and nearness to Spain and Gibraltar, Portugal is of substantially no importance. Its air force consists of from thirty to forty more or less antiquated planes. Its army is almost invisible as against the swarms of uniforms in every other capital of Europe, and its existence is stated to be located largely in the colonies. Its navy is negligible, consisting of six destroyers bought from England and a few river gunboats. Portugal is neither a military nor a warlike country. It has no desire whatever to fight and its swarms of beggars, its widespread illiteracy, and the abject poverty of the great mass of its population, are just now seeing a ray of economic light in the wise, economic leadership of Dr. Salazar, after twenty-five years of internal strife.

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In Salazar, however, Portugal and the world possess an asset which is of tremendous importance to the war world, both from an economic and diplomatic point of view. You are, of course, familiar with the recent negotiation of the so-called "Iberian bloc" consummated last fall following a meeting before this between Salazar and Franco in Seville, and Franco's later dismissal of his Foreign Minister, Suner, and elevation to power of Jordana. The new Minister of Foreign Affairs came to Lisbon to see Salazar and the result was merely the consummation of what is regarded both in Spain and Portugal as another evidence of Salazar's tremendous influence on Franco. On account of the personal qualities and characteristics of the two dictators, which I shall discuss later, it seems apparent that this influence is growing daily and is recognized in both capitals.

Salazar, a strange mixture of the academic, almost ascetic ~~asthmatic~~ type, but with an astounding strength and tremendous personal influence, is apparently honest, fearless, astute, in no way personally ambitious but an almost perfect type of benign dictator for a country situated as Portugal. Anti-Russian and fearful of Communism long before the Spanish Civil War, he is so much wiser and more astute than Franco that his influence seems to be definitely towards swinging francoian Spain to real neutrality. It seems apparent that the recent withdrawal of the German Minister, von Stohrer, from Madrid and the substitution of von Moltke, was caused by the announcement, which was surprisingly made from Lisbon and not from Madrid, of the formation of the "Iberian bloc." Sir Ronald Campbell, the British Ambassador to Portugal, who described Suner as an "unpleasant little beast willing to sell his country to Germany," spoke with tremendous enthusiasm of the Salazarian influence in Spain and described Salazar as a completely honest man, insisting on honest and real neutrality even while irked by the necessity of the British blockade and under constant pressure from Germany. The universal feeling in the more thoughtful foreign diplomatic and military circles in Portugal seems to be that Portugal is unquestionably of infinitely more value to the allied nations in its present situation as an honest neutral than it would be as a military ally. In such an eventuality it would become an economic responsibility of little except geographical value.

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In both Spain and Portugal, it seemed to me of good-will value to the allied war effort to make a friendly gesture toward both Franco and Salazar, asking them to pose for a news reel which would give a message from each of them to all the world, describing their positions as great neutrals and speaking of their national growth, hopes and aspirations. Of course, it was recognized that their talks could with difficulty be edited in advance and would have to be somewhat expurgated in case either attempted difficult or anti-Russian political expressions. However, this did not seem likely and in any event while I was unable to see Franco, the diplomatic motions were initiated through the Foreign Minister and all arrangements have been completed in case Franco consents.

In Portugal, outside of diplomatic channels in order to save time, I was able to see Dr. Salazar personally, spent a charming hour with him in his heavily guarded residence in Lisbon, and practically received his assurance that the picture can be made - I hope both in Portuguese, English and Spanish. I believe also that I shall be able to arrange for the American companies in Lisbon to give Dr. Salazar private showings of American pictures and news reels in his home.

Salazar is Portugal and the Portuguese Government. He is spoken of universally with deep and profound respect and while no doubt he has many enemies they are now apparently quiescent and his rule is complete. His chief weakness seems to lie in his entire personal aloofness from any but close and trusted friends, yet he has an astounding warmth of personality and apparently an utter simplicity and lack of personal conceit or ambitions. From the point of view of the allied nations there remains his and Portugal's deepseated animosity to and fear of Russia and Bolshevism. The Portuguese Government maintains no diplomatic relations with Russia, constantly operates anti-Communist propaganda and broadcasts, and has only recently permitted the publication in Portuguese newspapers of Russian communiques. Where news items of operations on the German/Russian front are published they are invariably expressed as magnificent German defenses rather than Russian victories.

From an economic point of view, while Portugal has made great progress under Salazar it is still a poverty-stricken country but this it probably always will be. While the prices of rents, fuels, foodstuffs, et cetera, are supposed to be fixed and frozen, little attention is paid to government decrees along these lines and a tremendous black market exists. The man with money is able to obtain

substantially any type of foodstuff or commodity at high prices and yet the black market is not even comparable to the one which exists in Spain.

Since the beginning of the war, real estate has advanced about one hundred per cent and while officially the cost of living has advanced from fifteen to twenty per cent it has actually advanced probably sixty per cent. However, government credit is high, sells around two and one half per cent basis, and the country has substantially no external debt. While there is some spirit of unrest owing to certain shortages of petroleum products, et cetera, there is little sign of the great, surging unrest to be felt everywhere in Spain. There is little unemployment, a great part of the country population is self-sustaining, and food supplies are relatively ample despite a scarcity of meat, et cetera. Foreign exchange is free and for some time the banks have sold dollars at about 25.10 escudos per dollar and purchased them at from 24.50 to 24.80 escudos per dollar. Portugal is doing a tremendous and profitable business in Spanish currency and is the recognized black market clearing house for pesetas. Obviously, when dollar checks can be cashed in Lisbon for about twice the peseta value which they bring in Spain, business flows to Portugal and this in addition to the almost complete lack of Portuguese censorship brings a constant flow of Spanish business gentry to Portugal to transact such business as is not exactly holy in the eyes of the Spanish Government.

From a preemptive buying point of view, substantially all of the activity in Portugal is in connection with wolfram which, on account of its terrifically advancing prices, has had an almost fantastic boom in the country. Some business is done in sheepskins and other Iberian goods and a fair trade with Germany using sardines in exchange for iron and tinplate.

From an allied nations propaganda viewpoint, the situation in Portugal is infinitely better than in any other neutral country in Europe. The British have been doing a great job in Portugal since before and the beginning of the war, and are continuing to do it. Our own boys - the press attachés and the OWI men - are really just getting started but are able and efficient, liked and respected, and making very real progress.

The motion picture situation could hardly be improved. While there are probably less than two hundred theaters in Portugal they substantially all of them showing nothing but American pictures with a news reel attached in practically all cases. Not only is United News Reel shown in Portugal but practically all of the English news reels appear with great regularity. There are no German or Italian news reels in Lisbon or in any first-class theater in Portugal and no German pictures whatever are being shown or have recently been shown in any first-run theaters. This is perhaps no fault of ours but springs from the fact that the Portuguese do not like and will not accept German pictures, amply shown by the fact that last year the Germans rented a theater for their pictures in Lisbon but, despite ample distribution of free tickets, had to close on account of lack of patronage. Only two or three Portuguese pictures are made each year and they are pretty terrible. However, there are occasional rumors and rumblings to the effect that Portugal is planning to put in a quota system for American pictures similar to that in effect in England and Spain. However, there is nothing definite at the moment along these lines. The first-run theaters ordinarily have one evening show a day with two or three matinees a week. There are no exclusively news-reel theaters in Portugal.

Fortunately, too, there is no rawstock problem in Portugal as exists in the other neutral countries. American pictures for Portugal are subtitled in New York or Hollywood and one or two prints shipped directly to Lisbon, these prints filling the necessities for the entire nation. The amount of rawstock used for Portuguese pictures is negligible. It is a potent source of propaganda that the subtitle method is permitted in Portugal rather than the complete dubbing which is necessary under the law in Spain. On account of this system, a far greater proselyting of the English language is accomplished through the motion picture theaters than occurs in Spain where the Spanish language must be used exclusively.

It is difficult to estimate with intelligence the effect or scope of radio propaganda in Portugal. There are less than eighty thousand licensed radios in the country and while many of them in small towns are located in the local chemists' shops, which here correspond to the back room in the American grocery store for local and political gatherings, it is impossible to visualize accurately how many people are reached. The new U.S. broadcast, "The Voice of America," comes to Portugal direct from Sahenectady and, as I cabled you, is a tremendously powerful and effective piece of radio propaganda. It is clear, intelligent, forceful

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and, I believe, effective and goes a long way - as I have pointed out before - towards solving the needs of the neutral countries. They are broadcast with the definite stamp of American origin, with the freshness of viewpoint which characterizes the United States, and are a change from the long outworn methods of the BBC or the over-accented propaganda of Germany. In the early days of the war, Germany broadcast as "Germany Speaks and the World Listens," the BBC countering with its broadcast, "London Calls and the World Believes." Now both the BBC and the American broadcast hours are advertized in the Portuguese daily papers on alternate days and there is some kind of a broadcast in English or Portuguese from Schenectady or London almost every hour.

During the four months which I have been in Europe there has been an almost unbelievable improvement in propaganda broadcasts from both Great Britain and the United States but unfortunately this has been met by a continued improvement and variation in the German propaganda. One of the latest forms of Berlin propaganda clearly reaching Portugal in English from 7:00 to 7:30 each evening is a program entitled, "Berlin Calling United States Troops in North Africa," an all-English program remarkably good both in diction, substance and musical accompaniment. In general it is a program of entertainment, largely American music, but interlarded with continual comments intended for the American soldiers and to the effect that they are the gods of the war, cannon fodder fighting for England and for our old friends the international Jews. There is a woman announcer whose voice is remarkably similar to that of the chief announcer of the BBC, and a man commentator who speaks in almost perfect English. The Berlin station is known as DZG.

Substantially the chief weak point in the American attempt to influence Portuguese thought is the time lag and the lack of American magazines, books, etc., and the unbelievable delay in mails and London cables. Exactly as in Sweden and Spain, cables from Lisbon to London are apt to take anywhere from three to seven days on against night letter cables from Madrid or Lisbon to New York of about twelve hours. Mail from the United States frequently takes many months to arrive in Lisbon from New York. From a propaganda viewpoint it is tremendously important that larger and faster shipments of American newspapers, magazines and mail are expedited from the United States to Portugal, and some way should and must be found to break down the inviolable delays of cable transmission to England caused by the slowness of the British censorship.

SC:tc

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I understand that you are familiar with the recent influx into Portugal of a considerable number of Japanese, apparently part of the Imperial Government's secret service. There are a considerable number of them to be seen on the streets and in the hotels of Lisbon and in the evening playing roulette at the Casino in Estoril.

For an extremely literate and fairly accurate journalistic account of the last two or three years in Portugal, I want to recommend to anyone in the organization who is covering the Iberian situation the reading of "European Junction" by Hugh Muir and published by George G. Harrap & Company Ltd. of London. The book is almost the only recent work on Portugal and is both readable and informative.

SG.

Stanton Griffis

1. 100.75 Spent follow

See PP-3-8.
3-8

Imperial Standard 10,556
** Spain*
** Portugal*
** Representatives*

OFFICE OF STRATEGIC SERVICES
 UNITED STATES OF AMERICA

BY AIR POUCH

AMERICAN EMBASSY

6 February 1943

LONDON

Mr. William J. Donovan
 Director of Strategic Services
 Washington

SIR:

I am writing a personal letter to you following my five-day trip to Portugal and Spain, which I am hurrying to write in order to get it off in the pouch as early as possible. As soon as I have finished it, I shall start dictating a formal report on the situation in those two countries. I am to say, it was an extremely interesting trip and from the time that I applied for my visas and priorities in London at the end of December I have had no difficulties of any sort in connection with either visas, exit and entrance permits, or with transportation. Letters which I obtained in London before leaving opened substantially in Lisbon and business doors to an itinerant film salesman engaged in a survey of the motion picture business.

I left London on January 1st and stayed one week in Lisbon before proceeding to Madrid where I stayed for three days. I returned to Lisbon on January 29th and upon receipt of your cable left for London on February 4th, arriving in late Thursday night.

On account of the situation in Spain, which I shall write later, I did not send you any cables from there but when I return to Lisbon I called you as follows:

Phone telephone Will Hayes ask him to attempt to persuade all American motion picture companies operating or having deposits in Spain, particularly Metro, to slowly transfer substantial Peseta balances, say 1/3 to 1/2 of totals, to the Anglo French American Bank, either Madrid or Barcelona branches. This bank is a subsidiary of Lloyd's, one of the British big five. Paramount has already arranged.

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"For reasons difficult to explain by cable, this will probably be a great help to war effort in Spain.

"Please inquire who is responsible for American broadcast called THE VOICE OF AMERICA, which is rebroadcast from London, BBC, packing Spain 10.20 a.m. Spanish time. This is the best American radio propaganda coming into Europe today. These responsible should be highly complimented and broadcast delivered much more frequently in all languages."

The reasons for the cable, in reference to American motion picture company balances in Spain, are these: I am unable to determine accurately the amount of such balances, but I would guess them to run between 80 and 100 million pesetas. If there were any way, legally or otherwise, to put these balances at the disposal of OSS or any of the various government agencies, I think it could be easily arranged. But unfortunately the monetary control in Spain is extremely severe and the withdrawal or use of even the smallest amounts for any purpose outside of the motion picture industry is carefully watched and tabooed. Periodic submission of statements is required and no way could be found to use these balances. You no doubt know that substantially all of the currency business in Spain done by foreigners or foreign corporations is accomplished through the black market for pesetas in Lisbon, and accordingly through this or other methods the United States commercial corporations and the United Kingdom commercial corporations which handle the preemptive buying are able to obtain substantial funds. These funds are limited, and while the British have developed an extremely successful and favorable clearing system with the Spaniards we have so far failed to do so. Accordingly, it is frequently necessary for both the English and the Americans to make substantial loans to carry them through periods of stress when large quantities of pesetas are needed for preemptive buying, or for the various services.

All American banks and branch banks are closed in Spain. Spanish banks are suspicious, watchful and uncooperative and most, if not all, of these loans have to be made through the Anglo South American Bank which, as I explained to you, is a subsidiary of Lloyd's, one of the

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British big five and one of the largest banks in the world. Both the British and Americans in Madrid were anxious to build up the balances in the Anglo South American so that they would be able with more flexibility to make substantial loans on short notice.

As I cabled you, I have already arranged substantial transfers for Paramount, and I trust that General Hayes will be able to persuade the American companies to make substantial transfers out of the Spanish banks to the Anglo South American. This idea can be greatly extended if desired, through the Spanish telephone monopoly controlled by International Telephone and Telegraph Company, the large American motor companies, etc. Of course, the most to be desired situation would be the reopening of one or more of the American branch banks in Spain, but this I shall cover more fully in my report.

I shall not at this time go into the many questions of press, radio, and other propaganda methods in these countries, the uncertain political situation which exists, or the various economic aspects of the situation in both countries which are so important to the American war effort. These matters will be more fully covered in my more formal report, but I must refer again to "The Voice of America" which is now coming regularly by radio into both Spain and Portugal, either rebroadcast from London or sent direct from Schenectady. This is great stuff and is exactly along the lines which I have been urging since I was in Sweden. It comes from America, it is heard clearly, it sounds honest, and has none of the bombastic and phony aspects of the German propaganda or which everyone is heartily tired, nor of the BBC propaganda with which everyone is thoroughly bored. It is a great piece of work and it is right.

Now as to the situation of the OSS in the Iberian Peninsula. The best piece of news that I have had since I came to Europe is that Dave Bruce is coming over here to take charge of the London office of OSS which, so far as the countries which I have visited are concerned, cries out for a strong and able European head; there is nothing needed so much over here in these countries as a semblance of an organization, and ~~the~~ boss who is a boss and can talk with knowledge and with turkey to the whole organization. You will understand, I know, that this is not critical. No one knows better than I the difficulties which you have had in building up such a difficult organization in such a

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short time and along lines in which the United States had had no experience, but it needs a man here on the ground in closer contact with Sweden, Finland, Spain and Portugal, and a man who either individually or through an accredited deputy can with reasonable frequency visit these countries and find out what is going on.

You are no doubt thoroughly familiar with the troubles of Di Lucia in Lisbon and the bitterness towards him of both the American Ambassador and the entire office there. And you are no doubt familiar also with the extremely erratic character of Pratt in Madrid. But it is paralyzing to the work of the organization that the two men on the Peninsula should be bitter and feuding, and extremely unfortunate that the OSS in Spain has apparently incurred the deep enmity of the American Ambassador.

When I reached Madrid, Pratt was away on vacation and I was unable to reach him, as knowing something of the situation and desirous of accomplishing various things which I shall explain to you later, I did not expose my connection to Ambassador Hays or the other men whom I met at the Embassy. However, I did see Pratt for two or three days after his return, although it was necessary for him to go to Barcelona again during this period. Pratt is nervous, eccentric and deeply complainful of lack of assistance and operatives from Washington. In this I think there is some justice, for Spain, with its nearness to the French border and its tremendous size and population, must be handled with more men in order to obtain results although it is obvious that a man who does not speak nearly perfect Spanish is almost useless to the work - and these men are hard to find. All of this situation I can discuss with Bruce upon his arrival.

If you know Di Lucia, it is easy to understand the troubles in which he became embroiled in Spain. He is loud, uncouth, and pretty generally difficult, but there is a tremendous amount to be said for him. He speaks good Spanish and good Portuguese, and I think that he is working hard. He has made great progress and is of the florid, verbose Latin type which the Spanish and Portuguese like. He has made progress with Minister Pish after his debacle in Spain and seems to have made progress with the British after getting off entirely on the wrong foot with them. Pish, however, does not think that he will be able to maintain successful cooperation with the British. However, as I have said, he has many good qualities. In Madrid, I wasted more than a week attempting to obtain a goodwill

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interview and newsreel picture of Franco through Ambassador Hayes and the usual diplomatic channels. I could not overcome the ancient Spanish custom of 'mañana' and so, rather than risk spending the rest of the war in Madrid, made the necessary arrangements through Hayes, our own organization and the O.W.I., and departed for Portugal.

In Portugal, having learned my lesson, I attempted other channels for a similar meeting and arrangement with Dr. Salazar, the dictator of Portugal. It was Di Lucia who, through his connections, arranged this with ease and when, at quarter past ten in the evening - with the interview at 10.30 - the interpreter who was to accompany me refused, I took Di Lucia. He handled the whole interview beautifully; he has, I think, made a friend of Salazar, and altogether could not have been of greater help.

Like Pratt, Di Lucia also complains bitterly of his lack of staff and in this I am in agreement. He should have assistance, and he must have assistants who speak Portuguese, if the Portuguese office is to be regarded as an important branch in the service. Do not judge from this and from the amounts of money which I know are being spent in the Iberian Peninsula that I think we are not spending enough. We are spending a great deal. But I do believe that an organization can be worked out that can spend it more efficiently.

In any event, Fish, who is a pretty practical citizen springing from years of political activity and apparently a county judgeship in the State of Florida, is thoroughly convinced of the absolute necessity of the type of work which OSS is doing in Portugal, and absolutely refused to transmit to Di Lucia recent orders from Ambassador Hayes that neither Di Lucia nor any of his men be permitted to enter Spain. He told me that the British were highly complimentary regarding Di Lucia's transmission of recent information from France, with which you are no doubt familiar, and that he had so advised the State Department. He felt, however, as I do, that it was unconscionable that there should be no contact between OSS in Portugal and OSS in Spain and that not even a loose arrangement existed between the two offices.

Incidentally, I was able to be of some service to Fish, as he tremendously desired a private showing to Portuguese officials and the Diplomatic Corps of ~~some~~ WITH THE WIND which had been refused by the Metro organization in Portugal.

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This I was able to arrange through a wire to Nick Schenck direct. Also, when Fish heard about the Salazar meeting he almost regarded it as a miracle and his immediate great interest was evidenced by his suggestion that the American Minister to Portugal should give an introductory talk, all of which will be arranged. The twang of Florida cracker dialect should be interesting in comparison with the almost Ozonian voice of Dr. Salazar, who is probably one of the most charming, erudite and able men in the world today.

It seemed to me after several weeks in both countries that the ablest man OSS has in the Peninsula is Frank Schoonmacher who, as you probably know, is working in Spain under cover of being an American wine buyer. Schoonmacher is a good worker, speaks fluent Spanish, has a certain executive ability, and is far more the type of sane, substantial citizen that is needed to head any organization. If no other man is available, he might with profit be put in general charge of both offices.

Schoonmacher also gave me the most carefully-thought-out analysis of the Spanish economic situation that I received outside of the English bankers in Madrid, and he is obtaining substantial additional information along these lines.

All the above, however, are organization problems which I can discuss with Bruce upon his arrival.

One very interesting idea, bearing on the great difficulty of obtaining and rewarding nationals who are of great service to OSS (and this came to me from Schoonmacher) is the idea that to those nationals who were of real and substantial aid to us we might develop a means whereby we could promise a select few entrance into the United States at the end of the present war. The universal desire of practically every resident in Europe is by hook or by crook to gain admission to the United States. The wiles and promises that are offered, and the lengths to which almost anyone will go to further this ambition, are almost unbelievable. Any rewards mean nothing as compared to an authenticated promise to facilitate American visas either now or after the war. I have such requests from practically all nationals with whom I come in contact, ranging all the way from bankers, highly successful surgeons, doctors and lawyers, to taxicab drivers. Escape from the almost intolerable conditions of Spain and Portugal to the Utopia of America is their guiding thought upon meeting an American.

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rather than to elaborate at length upon this theory, am attaching to this letter a memorandum on the matter which Schoonmacker prepared at my suggestion and which, knowing full well the difficulties of its accomplishment, I recommend to your consideration.

Another organization suggestion which I should like to make and which I shall, of course, discuss here is the suggestion that one or more auditors be sent to each country or size in which the OSS is represented. I understand perfectly that the expenditure of money now being made in the various countries is in most cases highly confidential but unfortunately in many cases these expenditures are being made by men who have never before had any substantial experience in the handling of money, who are apt to develop the habit of regarding foreign currencies as so much wastepaper, and who are inclined to lose all perspective of the value of the money spent. I assume that with the tremendous expenditures for armament and defense and offenses of all types, we are losing all perspective in America but, nevertheless, I fear future repercussions from the situation as it exists and I believe that the very presence of auditors would be a tremendous safeguard. I do not for a moment think that they could or should control such expenditures but I do believe that if it were necessary for the various top agents to make some kind of a report of their expenditures to the auditor it would be, as I said above, a tremendous safeguard. The actual cost of the auditors' expenses would be many times repaid without any loss of efficiency whatever. Understand that I do not mean by this that the whole situation should be put in charge of any large auditing firms. This would be absurd and impossible. I mean rather that individual auditors should be attached to your staff, reporting to your top financial man under instructions either from Washington or from London. It is obviously difficult to explain on paper the reasons for this suggestion but, if I were in your position, I would consider it with care and gravity.

May I take the liberty of making one more organization suggestion, and that is that you discuss in some of your staff meetings the possibility of speeding up answers to cables to Washington from men in the field when such cables ask for specific instructions or are in the nature of specific questions. I am not unmindful of the difficulties

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of coding and decoding and of delays in transmission but I have ample basis for judgment and comparison between our organization and the almost countless cables which I have exchanged with other organizations in the United States. These agents are working under difficult conditions, far from home, and encounter all of the discouragements which arise from the strange and dangerous nature of their jobs, well spiced with their own homesickness, nostalgia and constant feeling that they are the original forgotten men. It is extremely discouraging to send the fastest type of cable and receive no answer of any sort for several days. I know that a few words from you to the organization would help to correct this situation. No doubt you will put me down as a carping, dispeptic critic suffering from the same mental ailments which I have described above, but my only purpose is to help the work of the organization.

From a propaganda viewpoint in Spain let me say at the risk of repeating what I have said to you many times before, that there are only two really effective forms of propaganda in these neutral countries. One is American victories, and the other is the uninterrupted showing of American motion pictures - both features and newsreels.

The rawstock situation in Spain today is even more critical than it was or is in Sweden, despite the fact that German pictures are not accepted in Spain. Germany during the year 1942 is reliably reported to have sent into Spain 9 million meters of UFA rawstock as against approximately 300,000 meters received from the United States and/or England. This, as I said, in the face of substantially no exhibition of German films except newsreels and an approximation of 85 American features. There were approximately 30 Italian films shown in Spain in 1942 and I can find no record of any Italian rawstock having been imported. All this I shall cover more fully in my report but, needless to say, I spent an enormous amount of time on this matter, and while rawstock is promised from both England and America there are substantially no supplies in the country today. The officials of the British Embassy in Spain who are charged with the responsibility for the film operations, having as was the case in Sweden gotten approximately nowhere, I persuaded the British Ambassador, Sir Samuel Hoare, to take up the matter direct with Mr. Brendan Bracken, and I am now assured that some supplies are on the way from England. This matter I shall develop further with the Ministry of Information here the first of the week, and I understand that reasonable assurances of supplies have reached the American boys from the C.W.I.

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Incidentally, you will perhaps be interested to know that the shipments to Sweden on which I worked so long in November and December finally reached Sweden during the last ten days.

As I write all this and look back on my weeks in England, Sweden, Finland, England again, and then Spain and Portugal, it seems to me that I have done damned little for OSS and have devoted a tremendous amount of time and energy to matters which should properly come under the jurisdiction of the O.W.I. and the Board of Economic Warfare with some small results but a good many failures. I am badly handicapped in my direct work for OSS by my complete lack of linguistic ability, for my French is abhorrent, and my other languages nil. I have never more regretted my early mispent life in Wall Street. Nevertheless, it has all seemed very necessary and sometimes important, but if you fire me I shall feel that it is quite right, proper and deserved.

In any event, I have had a remarkable experience and have enjoyed every day of it.

I have collected, and send herewith, many personal messages to you - notably from Bert Fish, the Minister in Portugal, who is one of your most ardent admirers and remembers you with tremendous pleasure from his former post in ~~London~~ ^{Sept}.

I shall get this letter off by the first pouch and proceed to write a general report on conditions in Spain and Portugal.

With every good wish,

Sincerely yours,

Stan Griffis
Stan Griffis

ATTACHMENT

cc: to

January 28, 1943

A SUGGESTION

Probably everywhere in the world today, certainly and obviously here in Spain, an astonishingly high percentage of the intelligent people would give anything they possess for a chance to go to America to live, once the war is over. This desire is deeply felt and openly expressed, not so much by the country's malcontents and ne'er-do-wells as by the best, the ablest and the most ambitious young people of Spain. For most of these, the idea is nothing more than a precious and cherished dream, but a dream for the realization of which they would be prepared to make almost any sacrifice.

Could we, of the OSS, be put in a position which would enable us to offer, to a specifically limited and carefully selected number of such people, the assurance of preferential treatment by the Bureau of Immigration when the War is over, we would have at our command a means of recruiting honorable and competent agents worth a thousand times more than any conceivable amount of money which could be placed at our disposal.

This plan would seem to me one wholly in keeping with the high, honorable and unselfish spirit in which this War has been undertaken and is being waged by the United States. If we can do the necessary, inevitable dirty work of this war on such a basis, surely we have nothing to lose. Loyalty bought with money is poor and uncertain loyalty at best; if instead we could offer, to those who have been willing to prove themselves our friends (in many cases at considerable personal risk), a chance to join us and share our national destiny, I think that we would be securing, on the best possible basis, help which is now vital to us.

In view of the President's several important statements concerning Hispano-American relations after the war, it is fairly obvious that we expect to welcome a fair number of Spanish visitors and at least a few immigrants from Spain. If so, how could we conceivably select better potential citizens than by opening our gates to perhaps half a hundred Spaniards who have, in a time of national emergency, worked for us and risked something for us?

With this thought in mind, I should like to suggest that the State Department create, for reference and use when the War is over, a special file which would carry the initials WPK and consist of names Well and Favorably Known to the Department. Those whose names appeared on such lists (copies of which would of course be available in Washington as well as in the various Embassy archives) would invariably and permanently be entitled to special treatment and special courtesy from the Department. Should they request visas, whether as visitors or immigrants, they would receive preferential treatment, including the waiving of as many current restrictions as possible. The meaning of the letters WPK and the benefits of this special status would of course be explained to all those recruited on this basis; they would also of course be told that they could only retain such status if they continued to give us their wholehearted assistance and cooperation until the end of the War.

The possible advantages of the plan outlined on the preceding page of this report are so obvious that they scarcely need to be listed. However, just for the record:

1. The OSS would immediately find it possible to recruit agents far superior, in intelligence and reliability and loyalty, to those it now has.
2. The integrity of such agents would be practically assured, since they would only receive their reward when the War was over.
3. The costs of maintaining such an organization would be practically nil.
4. The people involved, if they came to America, would almost certainly make good citizens, being thoroughly convinced in advance of the advantages of the American system and willing to risk a good deal to become part of it.

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*Copy of the document from
Mr. [unclear]
S. [unclear]
[unclear]*



OFFICE OF STRATEGIC SERVICES

UNITED STATES OF AMERICA

BY AIR POUCH

AMERICAN EMBASSY

December 28, 1942

LONDON

Dear Bill:

An interesting arrival in an unusual controversy has just reached England in the person of 1st Lieutenant McCreary, of whom you have no doubt heard and perhaps know as a more or less well-known former editor of the NEW YORK TIMES and commentator on war subjects both in radio and pictures.

McCreary is distinguished not only on account of the fact that he is well known but also on account of the fact that as the American Army in England in general consists of either privates or majors, a first lieutenant is a rare sight. Finally, on account of the fact that he is ostensibly a personal representative of General Arnold.

As you know, British propaganda has somewhat reversed itself during the past year and is now, instead of referring very little to the damage to London in the blitz, advertising it widely with the philosophy of explaining what has really been a fantastic exhibition of bravery on the part of the British nation and the R.A.F. during the Battle of Britain. The Ministry of Information's book entitled "Front Line, 1940-1941," with literally hundreds of pictures of the blitz is well into its second million copies of sales here, and as I may have told you, I was importuned by Mr. Brendan Bracken, the Minister of Information, to help him see that the book received a wide circulation in the United States. In brief, I have agreed to publish it myself if no other publisher can be found to handle it.

McCreary's position apparently at the direction of Arnold, is that the American Air Force theory is that the chief air purpose of the war is to establish air bases in England and North Africa for the purpose of bombing Germany and Italy out of existence, and bases in China for the destruction of Japan. He preaches the philosophy that the present attitude of the British Ministry of Information develops a theory that neither a war can be won nor a people subdued by bombing, witness the rising morale of the British nation due to the German methods of bombing warfare.

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In any event, there seems to be a direct conflict of propaganda theory here, which is at least interesting to note.

Tomorrow I am taking Lieut. McCreary and Bill Maddox on a tour of the British coastal defenses, starting from Dover in the morning and pretty well covering the coastal area, which has been arranged by the Ministry of Information. As I am leaving the next day for Portugal, Bill Maddox will no doubt report to you on this situation if there is anything of interest.

In any event, all of the above for your information, and with every good wish for the New Year,

Sincerely yours,

Stanton Griffis
Stanton Griffis

LG:ts

WPM

Colonel Wm. J. Donovan
Office of Strategic Services
Washington

MISC. 8



OFFICE OF STRATEGIC SERVICES
UNITED STATES OF AMERICA

BY AIR POUCH

December 24, 1942

AMERICAN EMBASSY
LONDON

To: Colonel Wm. J. Donovan
From: Stanton Griffis

SECRET

OFFICE OF STRATEGIC SERVICES

This is a brief report following my cable to you in reference to the De Gaulle situation in London and what seems to me an unfortunate lack of cooperation by the British Government and officials in connection with the Darlan matter.

During the past week, almost six weeks after the announcement of the Darlan arrangement in North Africa, a particularly vicious series of attacks on Darlan began in both press and newsreels in the United Kingdom. More and more pictures of Darlan in association with General Eisenhower and others in North Africa have been coming into London and were seized upon by the newsreels as a new campaign of attack.

The newsreels in London are Movietone (fifty percent owned in Great Britain), Gaumont-British (controlled in Great Britain), Universal (controlled in Great Britain), and Paramount (controlled in the United States). However, the Paramount newsreels known as Paramount British is operated entirely by English employees who in general accurately and correctly represent the viewpoint of the British Government and people. It so happens that their attack on Darlan was the most outstanding, and accordingly I quote herewith from the commentary spoken in connection with pictures of Eisenhower, General Girard and Admiral Cunningham, as follows:

"From Algiers come Darlan pictures now released by censors. Two French submarines from Toulon are now virtually under the Admiral's control. The MARSEILLE and CASABLANCA, a fifteen-tonner, two more plumes in his cap."

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"General Giraud is French Army O-in-C, North Africa. Admiral Cunningham had no part in the political game, but Giraud seems to have no quarrel with Darlan's authority. General Eisenhower is in supreme command. Temporary though the Darlan arrangement may be, the quailing Admiral still seems to hold every day. In public, as at this war memorial ceremony - and in private he is completely self-possessed, exacting his price, willing to serve or betray as it suits his book. In the person of Darlan, fascism has edged its foot in the doorway, ready to stage a come-back."

The next picture in the reel was an interview with André Philip, who is associated here with De Gaulle. Philip says, among other things, the following:

"To keep at a head of the North African Government a Fifth Columnist, a declared enemy of England, does not appear to play a very safe game. Second, in France and in the whole of Europe the underground movement is in open revolt and will never expect to see the United Nations put in power the very men who have been betraying their country, and handing them over to the German wolves."

A statement of this kind which would be unthinkable in the United States represents, I am thoroughly convinced, (as afore-stated), the thinking of both the British people and its Government. I expected that there would be great repercussions in the press regarding these newsreels but was astounded in talking later with Lord Beaverbrook to have him tell me that it would hardly be noted, so completely does it echo British feeling. However, there were some repercussions, and I quote herewith from a press comment in the News Chronicle by Mr. A. T. Cummings, a fairly well-known columnist in London. Please note particularly the last paragraph of this quotation:

"A Paramount newsreel, seen last week by hundreds of thousands of people, depicted Admiral Darlan strutting about Algeria in the company of highly placed Allied officers and looking immensely pleased with himself."

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OFFICE OF STRATEGIC SERVICES

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"In public," remarked the narrator, "he is private, Darlan is happily self-conscious, willing to serve or betray as it suits his back."

"This outspoken commentary was followed by an interview with Mr. André Phély, a distinguished 'fighting Frenchman,' who gave vent to a bitter criticism of the 'military expedient' which put Darlan where he is."

"The point that interests me about this particular newswreck picture is that it was passed without a murmur by the Ministry of Information and therefore takes on a quasi-official significance."

"One day, perhaps, the American and British governments will make up their minds - and make them up in unison - whether Admiral Darlan is an asset or a liability."

In England all newswrecks must be submitted in advance of release to the Ministry of Information and approved or censored by them. It happened that the evening after I had seen this release I dined with Mr. Brendan Bracken, Minister of Information, to whom I expressed surprise that in view of the Anglo-American cooperation in North Africa, and at least the nominal acceptance by the British Government of Darlan, that the Ministry would permit and pass statements of the character that I have quoted. I expressed to Mr. Bracken the feeling and the knowledge that he could control the newswrecks and that a few words from him to the five or six men who control substantially all of London's newspapers would end this continued attack on Darlan in the press.

Mr. Bracken maintained that he neither would nor could censor or stop attacks of this kind and that even if he, as an individual, did (and he in many ways Churchill's alter ego), it could not be controlled in the provincial press, which was a particular leader of the attack. He referred to such papers as the Manchester Guardian, the Yorkshire Post and others.

Apparently this discussion, however, bore some fruit as Mr. Bracken has just called me to say he was calling a meeting of all newswreck editors tomorrow to instruct them that highly colored political commentary must be abandoned during the duration of the war.

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With the presence in London of vast numbers of refugees, from all countries, expressing highly colored and valuable political opinions, it is difficult to analyze any of it accurately. However, in it all remains the old belief that war or no war the British Government is naturally looking forward to its own problems in Europe that will settle on it like a swarm of bees at the end. There remains always the underlying belief, as I have expressed to you in former reports, of the necessity of Britain maintaining its old balance of power theories on the Continent, and accordingly there has in connection with "l'ordre ancien," grown up here in connection with de Gaulle a feeling that unless the situation greatly changes, de Gaulle will be kept safely under Britain's wing with as much control as possible looking no doubt to a day when it will come where there might develop an American backing for one group or against a group favored by Great Britain.

Stanton Griffis

signed for S.C. by

WPMaddy

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OFFICE OF STRATEGIC SERVICES

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On Monday of this week I lunched with General de Gaulle, but as stated in my cable I did not obtain much impressive information. General de Gaulle made a statement that he now accepted the Darlan episode as a military expedient, but that no Frenchman however would or could accept Darlan as a leader. He said he would serve either with or under de Gaulle.

He stated that he expected to go to America in January and in general substantially all of his statements were phrased in the rather florid language of the French politician, referring largely to the dignity and honor of France, but it seemed to me with little constructive suggestion.

It is obvious that "l'affaire Darlan" has been a terrible shock to the De Gaulle pride and standing here, and their bitterness - open or concealed - is intense.

You are familiar, of course, with the fact that the De Gaulle organization is supported financially by the British Government, but in private conversation with a number of important men here, I have found very little real support of De Gaulle or his movement, and in fact in private great criticism of his methods is expressed. Statements are made that his actions in the military campaigns with which he has been associated since the beginning of the war have brought great discredit and setbacks to Great Britain; and I have already referred in my cable to you with the comment that the Dakar campaign was operated like a Hollywood musical comedy. I know that he has been in frequent altercations with the Ministry of Information regarding some of his broadcasts, or attempted broadcasts, and in connection with various other activities. The men around him do not seem to me to be impressive, but whatever the opinion of the man's political or military genius may be, there can be little doubt of his deep integrity of intent.

The current report among high officials here regarding his trip to America is that "the Boss" in America has been side-stopping his visit but has now consented to see him upon his arrival in January.

SECRET

OFFICE OF STRATEGIC SERVICES



OFFICE OF STRATEGIC SERVICES

UNITED STATES OF AMERICA

BY AIR POUCH

December 24, 1942

To: Colonel Wm. J. Donovan

From: Stanton Griffis

SECRET

OFFICE OF STRATEGIC SERVICES

This is a brief report following my cable to you in reference to the De Gaulle situation in London and what seems to me an unfortunate lack of cooperation by the British Government and officials in connection with the Marlan matter.

During the past week, also a six weeks after the announcement of the Marlan arrangement in North Africa, a particularly vicious series of attacks on Marlan began in both press and newspapers in the United Kingdom. More and more pictures of Marlan in association with General Eisenhower and others in North Africa have been coming into London and were utilized upon by the newspapers as a new campaign of attack.

The newspapers in London are practically (fifty percent owned in Great Britain), Grand-British (controlled in Great Britain), Universal (controlled in Great Britain), and Paramount (controlled in the United States). However, the Paramount newspaper known as Paramount British is operated entirely by English employees who in general accurately and correctly represent the viewpoint of the British Government and people. It so happens that their attack on Marlan was the most outstanding, and accordingly I quote herewith from the commentary spoken in connection with pictures of Eisenhower, General Giraud and Admiral Cunningham, as follows:

"From Algiers come Marlan. Marlan now released by censors. Two French submarines from London are now virtually under the Admiral's control, the MARSHALL and CHASABIANCA, a fifteen-hundred tonner, two more plumes in his cap."

MISC. 6

2

General Giraud in French North Africa. Adm. Dupleix had had in part 1 the political scene, but Giraud seems to have no interest with Darlan's authority. General Dupleix is in supreme command. Temporary though the liaison arrangement may be, the situation is a strategic one. In public, as at this memorial ceremony - and in private, as to completely self-disciplined, expecting his place, willing to serve of Darlan as it suits his book. In the person of Darlan, Frenchmen have found a foot in the doorway, ready to stage a come-back."

The next picture in the past was an interview with Philip, who is associated here with Dr. Gaudin. Philip says, among other things, the following:

"To look at a head of the North African Government, Fifth Columnist, a declared enemy of England, does not appear to play a very active role. In France and in the whole of Europe the underground movement is in open revolt and will never expect to see the United Nations put in power the very men who have been leading their country, and handing them over to the German wolves."

A statement of this kind which would be anything but in the United States representative, I am thoroughly convinced, even more so, the thinking of both the British people and the Government. I expected that there would be great repercussions in the press regarding these remarks but was astonished in that I later with Lord Pemberton to have him tell me that it would hardly be noted, no completely does it echo British feeling. However, there were some repercussions, and I quote Adenauer from a press comment in the News Chronicle by Mr. A. J. Cassin, a fairly well-known columnist in London. "I am not particularly the last paragraph of this quotation:

"A paramount newspaper, near last week by hundreds of thousands of people, reported Admiral Dupleix strutting about Africa in the company of highly placed Allied officers and looking indignantly at himself."

SECRET
OFFICE OF STRATEGIC SERVICES

"In public, he was the military hero in private, Barlan's appeal self-assigned, willing to serve or betray as he saw fit."

"The outbreak of war was followed by an interview with Mr. Barlan, a distinguished fighting Frenchman, who gave vent to a bitter criticism of the military exploit which put Barlan where he is."

"The point that interested me about this particular newspaper picture is that it was passed without comment by the Ministry of Information and therefore taken on a quasi-official significance."

"One day, perhaps, the American and British Governments will make up their minds - and take them up in unison - whether Admiral Barlan is an asset or a liability."

In England all newspapers must be submitted in advance or release to the Ministry of Information and approved or censored by them. It happened that the evening after I had seen this release I talked with Mr. Brendan Bracken, Minister of Information, to whom I expressed surprise that in view of the Anglo-American cooperation in North Africa, and at least the nominal acceptance by the British Government of Barlan, that the Ministry would permit and pass statements of the character that I have quoted. I expressed to Mr. Bracken the feeling and the knowledge that he could control the newspapers and that a few words from him to the five or six men who control substantially all of London's newspapers would end this continued attack on Barlan in the Press.

Mr. Bracken maintained that he neither would nor could censor or stop attacks of this kind and that even if he, as an individual, did (he is in many ways Churchill's alter ego), it could not be controlled in the provincial Press, which was a particular leader of the attack. He referred to such papers as the Manchester Guardian, the Yorkshire Post and others.

Apparently this discussion, however, bore some fruit as Mr. Bracken has just called me to say he was calling a meeting of all newspaper editors tomorrow to instruct them that highly colored political commentary must be adjourned during the duration of the war.

SECRET
OFFICE OF STRATEGIC SERVICES

on Monday of this week. I spoke with General de Gaulle but as stated in my cable I did not receive any new information. General de Gaulle has now accepted the Berlin opinion that no Frenchman, however well he may feel about his leader, should be responsible for the fate of Gaul.

He stated that he expected to see the British in general substantially all of the French politicians, referring largely to the dignity and honor of France, but it seemed to me with little constructive suggestion.

It is obvious that "l'affaire Berlin" has been a serious check to the de Gaulle pride and standing here, and the bitterness - open or concealed - is intense.

You are familiar, of course, with the fact that de Gaulle's organization is supported financially by the British Government, but in private conversation a number of important men here, I have found, have lost all support of de Gaulle's plans. In fact, the private and public criticism of his methods is expressed. Statements are made that his action in the past, with which he has been associated, has brought great discredit and set back to France, and I have already referred in a cable to the fact that the French campaign was operated like a Hollywood musical comedy. I know that de Gaulle has frequent altercations with the Ministry of Information regarding some of his broadcasts, or attempted broadcasts, and in connection with various other activities. The sound him do not seem to me to be a very serious one. The opinion of the man's political and military genius, however, there can be little doubt of his deep integrity of heart.

The current report among high officials here regarding his trip to America is that "the blues" in America has been made stepping his visit but has now consented to see him upon his arrival in January.

SECRET

OFFICE OF STRATEGIC SERVICES

*Griffis, Stanton 9616**X Cable**X Film**X Sweden*

OFFICE OF STRATEGIC SERVICES

INTEROFFICE MEMO

TO: COLONEL DONOVAN

DATE: DECEMBER 18 1942

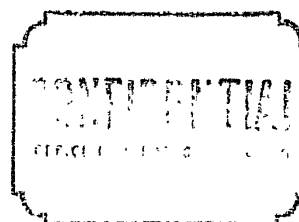
FROM: WILLIAM A. KIMBEL

SUBJECT: CABLE NO. 14170 FROM STANTON GRIFFIS

I return to you herewith the original
action copy of the above mentioned cable, together with
a copy of our reply to Mr. Murphy, dated December 16th.

W. A. K.
W. A. K.

Attachments (2)



FORM
NO. 100-10

OFFICE OF STRATEGIC SERVICES

OFFICIAL DISPATCH

DATE December 14, 1942

FROM

OSTRAVIC LONDON

TO

DIRECTOR, OFFICE OF STRATEGIC SERVICES

ACKNOWLEDGES

PRIORITY

ROUTINE

DEFERRED

DISTRIBUTION

(FOR ACTION)

DONOVAN

(FOR INFORMATION)

SECRETARIAT

INCOMING HEADING

CONFIDENTIAL**ACTION COPY****RECEIVED**

14170. FROM STANTON GRIFFIS TO DONOVAN.

Have any Navicert ships left for Sweden, and do they carry any raw film in cargo? Can you find out and advise me in confidence concerning the above?

TIME: 12/14/42 3:04 pm

DISPATCHER'S RECORD.

U.S. GOVERNMENT PRINTING OFFICE: 1942-200012

CONFIDENTIAL

INITIALS OF ACTION OFFICER

OFFICE OF STRATEGIC SERVICES

INTEROFFICE MEMO

TO: MR. MURPHY
 FROM: WILLIAM A. KIMMEL
 DATE: DECEMBER 16 1942
 SUBJECT: QUERY CONTAINED IN CABLE FROM STANTON GRIFFIS

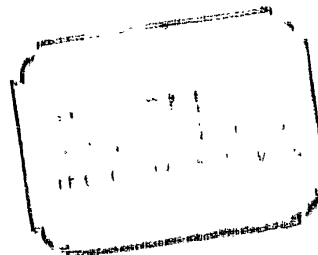
Pursuant to investigation of the queries contained in the following cable from Stanton Griffis:

"HAVE ANY NAVICERT SHIPS LEFT FOR SWEDEN? DO THEY CARRY ANY RAW FILM IN CARGO? CAN YOU FIND OUT AND ADVISE ME IN CONFIDENCE CONCERNING THE ABOVE?"

we find the following:

1. No ship during past three months. One now awaiting State Department approval in New Orleans.
2. Will not carry raw film knowingly. Raw film must be sent to London for reshipment by air.

W. A. K.



*#1470
 From Griffis to
 Director*

2. Billings, 10/15/42
 X 10/15/42
 10/15/42
 10/15/42

December 18, 1942

MEMORANDUM

FOR: Colonel Rohm

FROM: Mr. Murphy

I am enclosing a letter from Stanton Griffin. Will you please forward a check, as he requests, to Miss Gertrude Lee Thompson, Hoyer & Co., New York for an amount to cover his transportation costs of \$400 plus a per diem of \$20.00 per day commencing September 24th.

Griffis, Stanton 12/28/42
Sweden
 OFFICE OF STRATEGIC SERVICES

UNITED STATES OF AMERICA

BY AIR POUCH

AMERICAN EMBASSY

LONDON

December 28, 1942

SECRET

W. J. Donovan

Griffis

Hereto is a memorandum promised me by the British attaché in Stockholm about which reached me through the kindness of Mr. Charles Hambro on December 24th with the accompanying explanatory letter.

It is obvious to me that a substantial part of the memorandum which was promised me by the attaché was suggested by the British Minister in Sweden.

The memorandum substantially covers a broad range of British policy in Sweden, it neglects completely the subject which we discussed at length, i.e., the shipment of high-grade ores from Sweden to Germany and the possible Allied methods of control. I have referred to this at length my own opinion as to these methods of control and have also referred in previous reports to the British theory that these shipments could be stopped or destroyed by bombing or mining of the shipping ships or ferries from Sweden or Narvik. It is needless to call attention to the fact that these methods have not succeeded but in any event it is only to call your attention to the fact that the entire subject has been eliminated in the report. It is to come from Sweden, and that this limitation has apparently come through the censorship of the British Minister.

My report on sending on the memorandum for what it is worth and which for the moment pretty well closes the file on Sweden.

Stanton Griffis

SECRET

Ministry of Economic Warfare

24th December 1942

Dear Stanton Griffis:

I have now received the enclosed confidential memorandum regarding Sweden for which you asked. I gather that you were expecting to receive certain memoranda of conversations which you had with various members of our Legation in Stockholm on the subject.

The delay appears to be due to the fact that it is a rule with us that any memorandum on policy must be approved by the Minister, and not issued by individual members of his Staff. I imagine, therefore, that the Minister wanted to see the various memoranda, and it looks as though they have been amalgamated into one document.

I hope it serves your purpose and I am sorry that it has been delayed.

Yours sincerely,

CHARLES HAMBRO

Stanton Griffis, Esq.,
Claridge's Hotel,
N.Y.

copy

SECRETSWEDENPOLICY MEMORANDUM1. Political Considerations

It is considered important to encourage Sweden to stand up to German pressure. Unlike the last War when she was mainly pro-German, Sweden in this War has shown definite pro-Allied sympathies. The anti-Nazi views of the majority of the Swedes are probably sufficient to balance their distrust of the Soviet Union.

Reference is frequently made to apparent Swedish concessions or discriminations in favour of the Germans such as permitting German troops on leave to pass over Swedish territory between Norway and Germany. It must, however, be remembered that this arrangement was concluded in May 1940 when Sweden felt defenceless against German threats, whereas in recent months the Swedish Government have undoubtedly been making an increasing show of resistance to German pressure.

Swedish neutrality and sympathy is of great value in connection with Norway.

2. Economic Considerations

Swedish supplies of special steels, machine tools, ball bearings and similar commodities have great potential value. It is true that the German blockade of the Baltic makes any open or regular trade between Sweden and the United Nations impossible, but it is occasionally possible to run the blockade and in fact considerable quantities of these valuable supplies have been brought out by blockade runners in the course of 1941-1942. In addition small items of high value are regularly brought over by the air service from Sweden to Great Britain, and constant efforts are being made to increase this service.

1. Communications

The British Overseas Airways is practically the only connection between Sweden and Great Britain and carries diplomatic mail both British and American. Its continuance and security would be impossible without a discreet and friendly attitude on the part of the Swedish authorities, since the Service has to run the German air blockade over Norwegian territory. The Swedish Government has stood firm against the various protests which have been made by the German Government against the continuance of this Service.

2. Shipping

In May 1940 the Allies succeeded in chartering over 500,000 tons of Swedish shipping which at the time of the invasion of Norway was outside the Baltic. Of the remaining Swedish tonnage outside the Baltic, approximately 350,000 tons, nearly a third is engaged in trades of value to the Allied war effort. In fact, apart from shipping reserved by the Swedish Government for essential imports, there is only a small proportion of Swedish shipping outside the Baltic which is not at present working for the Allies.

3. Military Aspect

The British Naval, Military and Air Authorities are all agreed that it is in the interest of the Allies that Sweden should be kept reasonably strong, to act as a deterrent to a possible German invasion, and thus give the Swedes a measure of confidence in resisting German pressure.

It is particularly important to strengthen the hands of the Swedes to enable them to resist further German demands for lines of communication to northern Norway and the Arctic.

Sweden is moreover a valuable channel of intelligence of all kinds and it is undesirable to do anything which would impair that channel or reduce its value.

4. Conclusions

British policy is to encourage Swedish goodwill to the Allies and strengthen so far as possible the Swedish

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and force them to enable them to resist a German invasion or threats of invasion. There is every reason to believe that the Swedes would resist a German invasion and would undertake a considerable quantity of demolition work in vital installations.

Consequently, although the British authorities have from time to time procured the necessary plans to assist post-occupational activities in Sweden, it has been thought prudent to avoid taking any step to implement those plans which, if discovered by the Swedes, would provoke Swedish resentment at interference in their own affairs and might seriously affect Swedish benevolent neutrality.

The Swedish Police are extremely vigilant and have strict instructions to take strong action to suppress any agitation by the belligerents or their sympathisers which might compromise Swedish neutrality.

Notwithstanding the great caution which has been observed by the British authorities with regard to post-occupational preparations in Sweden, there have already been one or two incidents which have provoked strong protests from the Swedes, and there is no doubt that any further incidents might have a most serious effect.

To sum up, therefore, the British view is definitely that the value of Sweden as a base and the value of Swedish aid far outweigh any possible advantages to the war effort which might accrue from independent preparations for resistance in the doubtful event of a German invasion.





OFFICE OF STRATEGIC SERVICES

UNITED STATES OF AMERICA

BY AIR POUCH

11 December 1942

AMERICAN EMBASSY

LONDON

Personal

Dear Bill:

I seem to be having a run of bad luck in my efforts to be of service to you, what with the long delay in New York, the long delay in Scotland, and now the fact that your cable yesterday tells me that the report which I sent you fifteen days ago has not reached you. Yesterday the local office sent you a copy of the report by pouch and I surely hope that one of them will reach you before the war is over.

In the meantime also I am having one unbelievable time in getting supplies of rawstock into Sweden and Finland. After two weeks' work I finally had a shipment ready and practically on the plane, using methods which will not bear the light of day but which seemed necessary in view of the fact that a few more weeks of this will end the motion picture industry and American picture prop sends in Sweden and Finland. Four days ago I was shocked to hear that the Board of Trade had refused an export licence for the rawstock which I had ready to go, on the plea that the Ministry of Information was to handle all shipments of rawstock to Sweden. This is entirely true. They have endeavored to stop all shipments of rawstock and as a result not a single shipment has reached Sweden since last August. In any event, I am still waiting and still believe that I can get this rawstock granted and the film in. Accordingly, I am still waiting my time although I get pretty impatient.

In the pouch which I sent you on a conversation with the Minister of Foreign Affairs I did not incorporate your information on the fact that one of the largest

a memorandum

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for

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to the

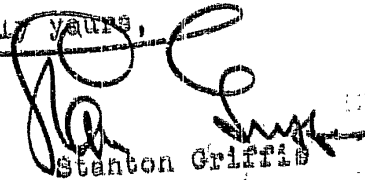
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are coming to Washington on some kind of a diplomatic mission in January and if you care to meet them I shall see that they get in touch with you.

One thing you might keep in mind in connection with my jobs which you want to give me. It just happens that three of the largest newspaper owners in England, - Leverbrook, Rothermore and Kemsley, - are all of them old and good friends of mine. I have renewed acquaintance with them all here and it is possible that some usefulness to you and the organization might come out of this if you wish to call on it. I have also established a pretty good working acquaintance with Mr. Brendan Bracken, the Minister of Information here, and am arranging - at his request - to publish a book for him in America for which he is very anxious to have a large circulation in the United States.

Every good wish to you,

Sincerely yours,


Stanton Griffis

Col. William J. Donovan
Office of Strategic Services
Washington



OFFICE OF STRATEGIC SERVICES
UNITED STATES OF AMERICA

BY AIR POUCH

AMERICAN EMBASSY
LONDON

11 December 1942

SECRET

TO: Col. Wm. J. Donovan

FROM: Stanton Griffis

I dined during the present week with the senior partner of a City banking firm here, whom I have known for many years, and who has been in a way the correspondent of my firm in London. I found that he had been married for many years to a Norwegian woman, and all of the guests were Norwegians high in the councils of the Norwegian Government-in-Exile here in London. The discussion around the table, particularly as expressing the Norwegian viewpoint towards Sweden and England, was so illuminating that I am sending you this memorandum regarding it.

From a diplomatic point of view, there is great bitterness that Sweden has sent no Minister to the Norwegian Government-in-Exile. The Norwegians feel that this is practically an insult to their King and their nation, which makes even more difficult the already almost impossible communication between the two countries, and in general is an attitude that cannot be forgotten in the years to come. From violence of feeling that Sweden is definitely pro-German, particularly its Court and Government, they attribute this lack of diplomatic contact with what, of course, they think is the only Norwegian Government to a basic fear of or sympathy with Germany.

The Norwegians lay great stress on the value of Princess Martha as their "unofficial Ambassador" in Washington, and are extremely proud of her close friendship with the President. They do not seem to feel, however, that she is politically minded or able to fulfil the possibilities which the presidential friendship might produce.

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The Norwegians are particularly bitter regarding the British and American government policy towards Sweden. That is the policy which I have discussed at great length in my former report to you. It was out of a discussion by them of this policy that there came the most astounding idea, but one which is apparently a fixed idea in their minds, and that is their feeling that England even in the depths of this war is still governed by its age-old idea of maintaining a balance of power in Europe, and that its diplomatic policy in Scandinavia largely arises from the balance of power idea. They feel that with England's old ally, France, out of the picture, England is already planning and looking forward to buffer states and possible future allies against Russia. In this policy, Sweden is the keynote due to its fear of Russia, which would become a nightmare if Russia overran Finland to expose the entire East coast of Sweden. Unbelievable as it may seem, they even carry this to the point where Germany might be in the same situation as Sweden so far as England is concerned.

You will understand, of course, that I am merely quoting a political philosophy to which I listened, and these ideas are by no means my own. But I am not sure that at least so far as Sweden is concerned there is not a grain of intelligent political thinking here.

To be sure the Norwegians are highly prejudiced in their political judgment of Sweden and of any government policy towards her today. They feel that Sweden as the keystone of the Scandinavian arch has deserted them in the hour of their need and that all of their efforts to bring English and American pressure on Sweden have failed. They feel very strongly that American diplomatic thinking in Sweden is powerfully influenced by English diplomatic thinking in Stockholm and in this too I am not sure that they are wrong. As I have already written you, the English trade policy towards Sweden and her relationship with Germany was laid down in 1939 at the very beginning of the war and has remained substantially unchanged since that time. I am still unfamiliar at this distance with the outcome of the negotiations in Washington between Johnson, Bohemen, and the State Department, but judging from the attitude of the Board of Economic Warfare here, the American policy has remained substantially unchanged and in conformity with the British policy.

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The Norwegians happened to refer at some length to Sir Charles Hambro, and they seemed to feel that his great interest in Sweden and his many connections there had an extremely important effect on the British Government towards Sweden. I think it is worth while to quote the interesting phrase which they used, and which is probably somewhat of an exaggeration, - "Sir Charles is for Sweden first, England second, and Norway third."

Referring to my suggestions to you looking towards an American plane operating on the eastbound trip solely to carry implements of American propaganda, such as mail from American Swedes and Finn; American books, magazines and publications of all sorts; American pictures and raw-stock; and to operate on the westward trip carrying Norwegian flyers and technicians. My Norwegian friends stated that they had been advocating this plan for a long time, although their interest seemed to be largely in obtaining a Norwegian seamen and ship technicians rather than flyers or possible members of the armed forces.

In connection with the Swedish air lines, regarding which I have written you at length, they expressed an interesting belief to the effect that Florman, the head of the Swedish air lines, as part of his arrangement with Germany, had agreed that he would not transport any Norwegians who, through their arrival in England, would be of benefit to the British armed forces or the British Merchant Marine. Whether or not this is a fact I have no idea but I would not greatly question it. As I think I told you, Florman stated to me in Stockholm that he had a waiting list for his planes of several thousand Norwegians alone.

Further in connection with the Swedish planes, the Norwegians expressed the belief that a large part of the secret and espionage information between German agents in England and German agents in the Wilhelmstrasse was carried via these Swedish planes. Of this theory I am a little sceptical considering the "going over" which I was given by the British Secret Service in Aberdeen upon my return from Sweden. Nevertheless, I will admit that my luggage was never carefully searched for papers and I was merely asked, "Have you any papers?" Whereupon such papers as I produced were examined. I actually did have currency and other papers which I made no offer to produce. Accordingly it may be possible that there is some basis of fact in this espionage accusation.

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You will be interested to know, if you have not already seen it in the American press, that this week's British newspapers carried the news of heavy mining of Swedish ports, particularly the ferry ports in Sweden, Denmark and Germany, following out the avowed policy of mining or destroying the ore shipments after they leave Swedish territory as substantially the only American and British defensive policy against the Swedish outpouring of material and implements of war to Germany and its war machine. Overruled as I apparently am in this matter, it remains a paradox to me why we should aid and feed Sweden at the same time as she is giving as much aid and comfort as lies in her power to the world enemy.

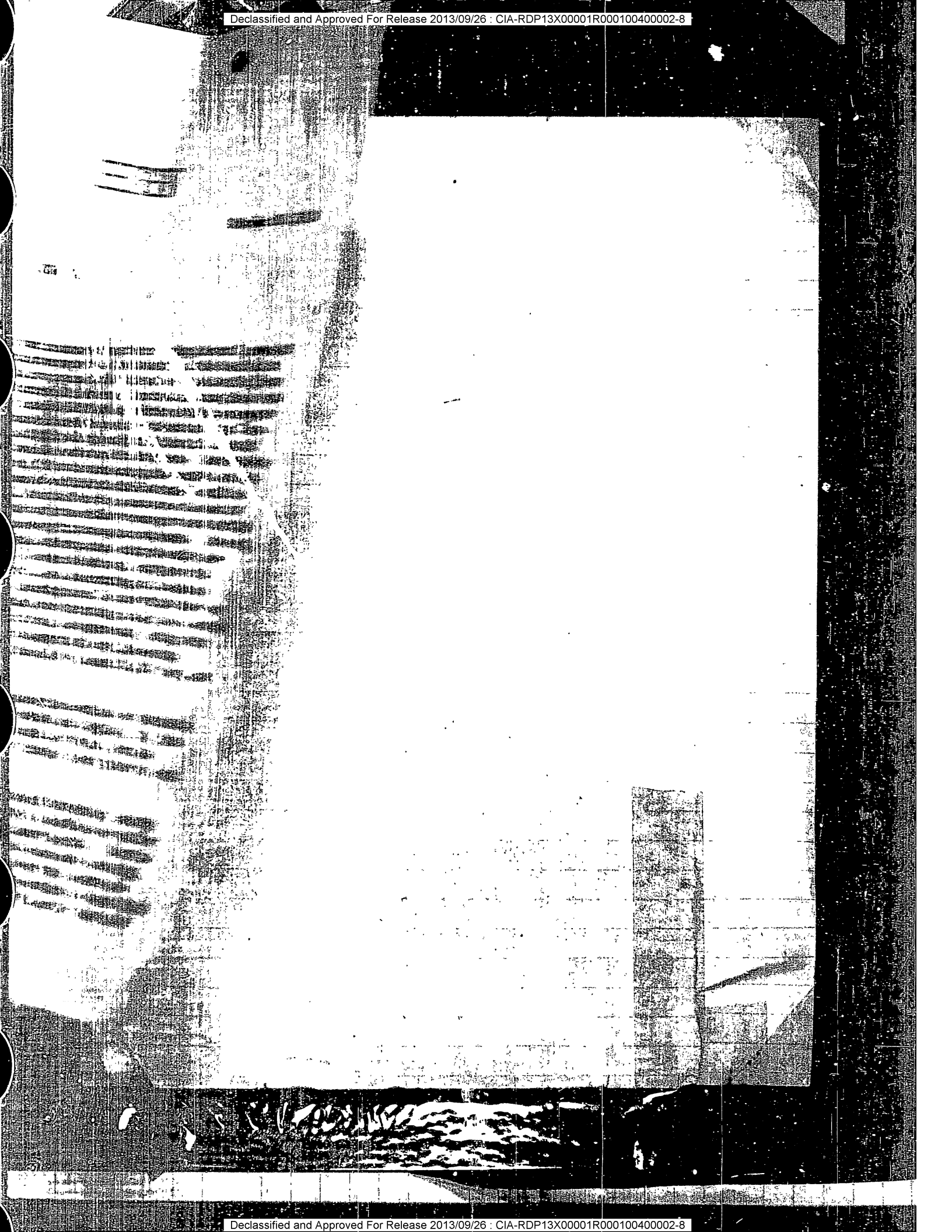
Stanton Griffis



SC:ts

December 10, 1942

N.B. This report is a duplicate of the original, sent the end of November. It was referred to in our 03153 and in Washington's 09191.



*Duplicate***SECRET**

November 20, 1942

To : COLONEL WILLIAM J. DONOVAN

From: Stanton Griffis

In accordance with your instructions, after reaching London I proceeded to obtain a visa for Sweden and transportation to Stockholm via the Swedish Air Lines. On October 9 I was told to proceed to Scotland whence the Swedish plane was leaving the next day. On arrival in Aberdeen I was told that no planes were there or expected although one plane had left the day before, without passengers but carrying mail solely. From this time for a period of about ten days I was called daily in reference to the flight, and frequently told that if a Swedish plane did not go the next day, I would be sent on a British plane. Nevertheless, no planes, either British or Swedish, flew the route during this period, and ten days later I was instructed to proceed to a British airfield whence I would be taken over that night. On arrival I was told that the plane was so loaded it could carry only three passengers, and as my three fellow passengers were British and Swedish carriers of diplomatic pouches my trip was again postponed. However, on the next night I left for Stockholm on a British plane, being the only passenger, with a Norwegian crew of three. We were blacked out, equipped with Mae Wests and parachute harness, leaving at 6 p.m. and arriving at Stockholm Airport at 10.40. It was an extremely black night and I do not think that we flew at over 12,000-15,000 feet. The details are interesting solely as a contrast to the return trip by Swedish plane, which carried passengers only, using very little black-out and equipping none of the passengers with any life-saving apparatus. On the other hand, the Swedish plane flew at about 20,000 feet, and equipped the passengers with oxygen masks.

In connection with the use of these planes from Scotland to Stockholm, it is perfectly obvious that as the planes, both Swedish and English, fly from British fields and are under the control of the British Air Force, British passengers, British freight and British mail are definitely given priority over American shipments of passengers and/or freight.

The Swedish Airlines operate with their center in Stockholm, running daily services to Helsinki and Berlin, and such trips to Scotland as weather conditions, reports of German activity, and political unrest permit. There is little question in my mind that the owners of the Swedish Line have a working agreement with the Germans permitting them to fly safely over the narrow sea channel between Norway and Denmark, and that their extreme caution is based first on weather conditions but principally on reported air activities for fear that

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Colonel Donovan.....

Nov. 20, 1942

an incautious or uninstructed German pilot might attack the plane. The planes are painted bright yellow as contrasted with the British planes which are fully camouflaged. During the past few months there have been periods of weeks elapsed when no planes, either British or Swedish, made the trip; resulting in a tremendous piling up of mail, diplomatic pouches, passengers and freight at both ends of the line. At the present time this has been pretty well cleared up, but with each rising moon and reported disturbances in Norway and Denmark the services again become irregular. Except through these planes there is no way of transportation between England and Sweden, and hence through Sweden to Finland. The transit of mail from the United States to the Scandinavian countries varies from about seven weeks to a period of months; the 1941 Christmas cards from America have but recently reached Sweden. Cable service from Stockholm to New York is swift and accurate, night letters being delivered in about 18 hours from the time of transmission; while cable service to England is extremely bad, most fast cables taking a minimum of four days. From the point of view of propaganda arising from correspondence between Swedes and Finns in America and their native countries, such discouragement has developed on account of these delays that there is extremely little intercourse between the two countries, and Sweden and Finland are substantially cut off from the rest of the world. It might be interesting to note that the last entry in the Visitors' Book at the American Legation in Stockholm was dated July 1941. There are substantially no Americans in Stockholm or in Helsingfors outside of the Legations.

The visitor to Stockholm suddenly realizes the complete lack of petrol in the nation when he sees every car equipped with an apparatus burning charcoal, producing a gas which is forced into the cylinders to operate the car. Taxi service is plentiful, as it is in London; but all cars and trucks are operated by charcoal burners. Stockholm, however, is brilliantly lighted at night, as are all Swedish cities, there being no lack whatever of electric power.

The trip from the airport in Stockholm to the center of the city immediately illuminates Sweden's great need and her constant excuse for trade with Germany; i.e., lack of coal. Every street, every vacant lot, and every waterfront is taken up with huge wood piles brought into Stockholm from the neighboring forests to furnish heating for the coming winter. The city is one huge pile of logs and cut wood. Nevertheless, the buildings (including even the hotels) are inadequately heated, and no apartment house is allowed hot water except one day a month. Most extra heating apparatus is illegal, and wood for a fireplace involves negotiations with the black market.

Food and, in fact, most commodities are regulated in price throughout the nation, and substantially all foodstuffs, even in hotels and restaurants, can be obtained solely on the coupon system even to the last piece of bread. However, practically all staples are available with the exception of meat, eggs and tobacco, which are the rarest commodities in Sweden and are practically unavailable to the average citizen. In general, I should say that the food supply was as plentiful and as good as the average in England. All kinds of food exports from Italy, and Germany are available - such as many fruits, wines, etc., which are possible to obtain in Great Britain. The entire aspect of the people is prosperity, thrift, contentment and a high standard of living. In general, people are infinitely better dressed and, I am inclined to think, better fed than in Great Britain. There is no unemployment whatever; in fact there is

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English Summary

...difficultly in obtaining labor either general or white-collar...
 ...The sudden transition from England and Scotland to Sweden...
 ...plunge from war-weariness, bitter suffering and dogged determination...
 ...country which, from the contrast, seems to be flowing with milk and honey...
 ...should not be understood from this that the Swedish nation does not consist...
 ...at all with protestations of suffering, lack of food and lack of fuel.

It is natural that on account of my immersion in the business of manufacturing and distribution motion pictures I should, perhaps, place undue importance on this industry as a form of propaganda; and it is but natural, too, that my first contacts in Stockholm should be with my own organization. It was, therefore, almost immediately that I discovered that a shortage of raw film existed in Sweden, threatening the entire production of both feature pictures and newsreels and that, as Finland is supplied from Stockholm, the entire supply in Finland had been exhausted; and our own failure to supply these countries was a burden almost as great as the effect of German control in Finland, which had resulted in completely barring American newsreels, and the German influence on the censorship in Sweden which results in the barring of an uncounted number of American features which in any way impute a slight aspect of villainy to any German character or which reference to this censorship problem in Sweden, let me say that the invariable answer of the Swedish censor to the protests of the American picture distributor is to the effect that if he grants permission to show a certain type of picture produced by America, the Germans will ask for ten times as much. On the other hand, there are few German pictures shown in Sweden; whether newsreels, however, are not only extremely popular but extremely good. To this I shall refer later.

There have been practically no shipments of raw stock into Sweden for some months, and for a period of months the Legations, both in Stockholm and Helsinki, have been importuning the State Department to permit shipments of raw stock through navicert ships. Such shipments are now promised, but are not on the water so far as I know. This, together with the difficulty of freight transportation from England, has brought about an acute situation in Sweden and a complete collapse in Finland. However, through cables to the various companies in the United States, and through possibilities developed in England during the past few weeks, I believe that we will shortly be able to obtain a flow of raw stock to Sweden and thence to Finland. In the meantime, the growth of German pictures in Finland has been tremendous and as American newsreels are permitted to be shown, there is a gradual edging out of American motion pictures in Finland.

No German manufacturer will sell German raw stock to any American company for any production of American films in either country. However, at the risk of violating the Trading With The Enemy Regulations, but with the knowledge of the Legation, we were able to buy a fair stock of film from a Swedish producer without any question as to its origin. As we paid him a substantial profit, he can no doubt replace it from his friends to the South. This, of course, we will be able to do occasionally.

In connection with the banning of American newsreels in Finland on account of their alleged war propaganda, I have arranged with Stockholm to prepare a newsreel

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extreme difficulty in obtaining labor either general or white-collared throughout the nation. The sudden transition from England and Scotland to Sweden is a surprising plunge from war-weariness, bitter suffering and dogged determination to a country which, from the contrast, seems to be flowing with milk and honey. It should not be understood from this that the Swedish nation does not constantly cry aloud with protestations of suffering, lack of food and lack of fuel.

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of American life which will be entirely innocuous, beyond criticism so far as war propaganda is concerned, and without any views of American war effort. This our counsel in Helsinki (who, incidentally, is the law partner of Proctor, the Finnish Minister in Washington) will submit to the censor; and if this is refused we shall take this up further with the State Department and attempt a final show-down as to the Finns' ability or willingness to show American newsreels.

The time allotted to newsreels in connection with feature pictures in Sweden is so short that it is impossible to show much over 1,000 feet at each performance, of which there are only two a day in all Swedish theatres. We have arranged, through conferences with the British and American Legations, to combine the United newsreel with certain parts of the British newsreel, which as one is shown on alternate weeks under the titles of "Paramount News" and "Fox Movietone News". This combines an attempt to satisfy the British in their desire to show some British pictures, the desire to keep alive the trade names of Paramount and Fox, and a concealment of the fact that there is any special newsreel manufactured for propaganda purposes such as United. While the plan works fairly well, it is not without constant complaints on the part of the British that American news is being featured as against British. Only one theatre in Stockholm operates exclusively on news reels, and this in the afternoon solely. It gives a one-hour performance including shorts, the Swedish newsreel, Fox or Paramount (United), and UFA.

The UFA newsreel is one of the best in the world and has a tremendous advantage over us in its ability to show news which is current or very recent, although it is apparent to the professional (if not to the layman) that many of the news features of German victories are manufactured in advance. Under no circumstances, however, must the competition and the genius of the UFA newsreel (called in Sweden a 'Revy') be underestimated. A typical UFA reel shows, for instance, (a) beautiful pastoral scenes in Denmark, a happy people working contentedly gathering huge crops; (b) sailing races in France, a happy and contented nation at play; (c) a great German victory at Stalingrad; (d) the peaceful Russian people happily farming 25 miles back of Stalingrad in the territory already occupied by the German forces; (e) German soldiers returning from the Russian front, each being given with the affectionate compliments of Mr. Hitler a tremendous box of food and presents for their families; (f) finally, as the pièce de résistance, a speech by Goering in Berlin.

The newsreels are 100% propaganda and they are substantially the best propaganda, which Germany is producing in the so-called 'neutral' countries. Actually, German propaganda feature films as well as British films, which have been banned by the censor, are shown privately to large audiences by personal invitation. One of the most interesting sidelights on the whole Allied situation came to me through the request of the British Embassy for us to obtain a print of "Sevastopol", a famous German propaganda film which was being shown privately and which the British desired to see. They were willing, if we could do it confidentially, to show privately the Germans some of their propaganda films, but their basic fear of this entire deal was that the Germans would resent the plan but that news of it would reach the Russian Embassy through the Germans and be used immediately as a basis for propaganda to the Russians that the English, Americans and Germans were

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doing a little fraternizing at the expense of the Russians!

There is an atmosphere of complete suspicion in these Scandinavian countries as between the Russians on one side, and the British and Americans on the other. The Russians apparently trust no one and herd entirely by themselves.

On the whole question of propaganda in Sweden and Finland may I repeat that at present substantially the only effective form of propaganda going into these two countries is through American film. As compared with an organization of over 500 people tied into the German Legation in Stockholm, our Legation totals about 180- with an approximately equal amount in the British Legation. As compared with substantially no Americans and few British in these countries, there are approximately 8,000 Germans in Sweden alone, receiving the most complete weekly ~~delin~~ instructions as to their course of action, their method of spreading German thought and viewpoint and their personal conduct towards the Swedish people. As compared with constant difficulty in obtaining the British Broadcasting Company short-wave broadcasts from London on the few short-wave sets existing in Sweden and Finland, and with substantially no broadcasts whatever available from America, the German stations pour a constant flow of news and propaganda over every type of wave length and excel in their astonishing ability to interfere with and blot out the BBC broadcasts. Germany broadcasts in perfect English as well as in perfect Swedish and Finnish. Italy chimes in on a somewhat smaller scale, using such type of propaganda as happy messages from English prisoners in Italian camps to their relatives in England, giving names and addresses.

Each Embassy issues a daily news report colored from the nationalistic point of view, and these seem about equal in value. Taken altogether, the British and American propaganda now existing in Sweden and Finland, as compared with the German operations, has all the efficiency of throwing a peanut against Radio City. One of the brighter aspects, however, is that the Swedes are fed to the teeth with German propaganda. A large part of the books, pamphlets, etc. distributed to citizens, schools, colleges, etc. are no longer read. It has become stale and tiresome, but it is unrelenting and continuous in constant flow.

From the American point of view, specific recommendations for improvement in the situation should include:

1. Continuation and improvement in a flow of American features and newscasts through Sweden and Finland by such methods as have been outlined earlier.

2. The establishment of a 100 percent. American broadcast to both Sweden and Finland, preferably from an English station on account of distance but certainly, if possible, having no connection with the BBC; and using, as well as typical American comedy and other programs, talks from leading Swedes and Finns in America. I cannot emphasize too strongly the necessity of separating the American broadcasts from the British. The British broadcasts are old stuff. They have lost their efficiency, and they are difficult to get. Of a lesser importance, too, is the fact that the British have had several hundred years to build up animosity between the British Empire and Scandinavia. We are somewhat newer at this.

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3. An organized campaign in the United States to persuade Swedes and Finns, both first and second generation, in the United States to write more frequently to their friends and relatives in Scandinavia. The feeling that letters take months in transit must be and will be corrected. But at the present time the average Swede or Finn has long since become discouraged in his attempts to keep up contact with comrades or relatives in the United States. There is a population of probably less than 7,000,000 in Sweden, and there are probably between 1,000,000 and 2,000,000 Swedes in the United States. Properly organized there could be no greater or more successful form of propaganda.

4. There are practically no American newspapers or magazines coming into Sweden today. Their very names have been practically forgotten, and it is of great importance that a flow of American periodicals be re-created for Sweden.

5. I will refer at much greater length hereafter to the attitude of the State Department - what seems to me to be a complacent attitude towards the tremendous flow of commodities into Germany from Sweden, feeding the heart of the German war effort. There must come out of America to Sweden a knowledge that there is a rising tide of bitterness in the United States against Sweden for this - no matter what her excuses for doing it may be. There must be expressed to Sweden a knowledge that she will not be welcomed as a last minute arrival on the American bandwagon. And she must hear this from her own people in the United States. Any consequent thought in Sweden which results in the slowing up or the direct or indirect sabotaging of such shipments is of great value.

6. Of course, in the last analysis, no form of propaganda will be as effective as the flow of news into Sweden of Allied victories and advances. There is nothing wrong with Swedish neutrality that a few great American victories will not cure. I have no desire to defend Goebbels' method of distorting the facts, but a little more enthusiasm and color in the reports of the American news agencies to Swedish papers in connection with Allied advances could be borne.

There are probably more newspapers in Sweden per unit of population than any other nation, Stockholm having about ten daily papers in which, however, the news stories are substantially the same except in the German controlled end of the press.

SUMMARY: A substantial part of the program outlined above for working toward more efficient American propaganda in Scandinavia points always to the need of more regular and efficient transportation. The American Government could well afford, perhaps with the assistance of the motion picture industry if necessary, to create its own line of at least two planes running between Scotland and Sweden and operated by pilots who feared nothing and who would be willing to take infinitely more chances than are taken by either the British fliers or the Swedish. If such planes could have an absolute priority on American shipments

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(such as films, raw stock, American mail, American newspapers and magazines, and American goods of all sorts), a tremendous amount of good would be accomplished. A flow of information to Scandinavians in America that such planes were available, and that letters, magazines, etc. could reach Sweden in a reasonable time, would create a flow of freight which would be weighted with propaganda. Such a plane service would, of course, have to be tied in to the English and Swedish operation of flying fields which would be extremely difficult. However, it would be very much worth it and if we could be absolutely certain of one trip a week of American goods and mail only, it would accomplish wonders. It would at least be as fast as the average cable service between London and Stockholm. This, however, is a matter which I shall plan to take up with the Embassy here for further report to you at a later date.

Now to come to the most important element in the Swedish situation so far as the war effort is concerned. In essence remains the fact that Sweden is exporting into Germany somewhere between 8,500,000 and 12,000,000 tons of the highest grade iron ore in Europe, together with uncounted supplies of fabricating metals, machines, etc.. A probably exaggerated statement made by a British attaché in Stockholm was to the effect that "Germany could not continue for six months without Swedish ores and supplies." In return for these favors Germany is furnishing Sweden with some 3,500,000 to 5,000,000 tons of coal annually which, except for petroleum products, is the greatest need of Swedish industry. I shall not burden you in this report with a mass of statistics as to these exports, the various Trade Agreements between Sweden and Germany as to credits, etc.. You have practically all of these figures in your files, and my figures would be in many respects a duplication. You have also in your files substantially all the detailed information with reference to the location, condition, etc. of the mines, manufacturing plants, and railroads in Sweden - particularly the ones which are most closely associated with the important shipments of ore and metals.

May I pause here to pay my respects and compliments to the marvelous work which has been done by that branch of your organization which has produced and tabulated this mass of information. I am frank to say that I got very little statistical information in Sweden which was not available to me from your organization prior to the time I left Washington.

In brief, however, the great ore-carrying railroad runs from Luleå very near the Finnish-Swedish border in the North of Sweden, in a northerly and easterly direction to Narvik in the far North of Norway. The Norwegian part of the railroad is only about thirty miles, and the mines with their feeding power houses are located about half way between Luleå and the Norwegian border. The other mines of high grade ore are located only about 100 miles southwest of Stockholm and use various ports for trans-shipment to Germany. Metal fabricating plants are, of course, located all over the nation. During the season when Luleå clears of ice in the late Spring, to about the first of December, substantially all shipments from the North are made through Luleå; and thereafter the shipments are routed northwest through Narvik. The mines are substantially all strip-mines operated by steam and electric shovels; so that any military action against them is inefficient. Any such military action, it seems, must be directed against the transportation facilities and power houses. The Swedish Government is a substantial stockholder in this great group of properties, known as GRANGESBERG-OKELSBUND.

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All of the reports which I had on these companies were unfortunately taken away from me by the Swedish police at the Stockholm Airport. I understand that the contracts for ore and/or fabricating metals made by Germany are substantially on an f.o.b. Sweden basis; so that if they are lost at sea or in any way by enemy action, the loss falls on Germany and not on the Sweden.

No foreigner and very few Swedes are allowed in the part of the country where the mines are located. The properties are said to be heavily guarded, and one of the largest military bases in Sweden is located at Boden near Lulea. During the past two years an unusual but obvious change has occurred in the movement of ore. While a few years ago approximately 85 percent. of the Swedish ore was exported from the Northern mines and the balance from scattered properties, the movement is now said to be about 50 percent. from the Southern.

In 1939 the British made a Trade Agreement with Sweden which was slightly revised in 1941, which provides in effect that Sweden shall be permitted to maintain her normal exports to Germany during the period of the War. The "normal exports" are defined, I understand, as of 1938 which was a high year for Finnish exports. Accordingly, the British are pretty well stopped from any attempt to prevent or slow-up these exports, and must confine their efforts largely to trying to see that the Swedes do not exceed their former tonnage. I personally have no great confidence in the published and governmental figures given our Legation and the British Legation on these exports, but I have no way of disputing them intelligently.

A clear sidelight on the whole situation may be found in the fact that while I was in Stockholm on the day of the first news of Rommel's defeat in North Africa occurred one of the heaviest breaks in years on the Stockholm Stock Exchange, affecting particularly the stocks of Swedish industrial properties - notably the mining properties. I am unable to give you accurate figures on the credits that Sweden is advancing to Germany, but you have certain figures which may be more or less accurate in your files. I doubt, however, if they include the credits from individual manufacturers which are almost impossible to determine. In one last reference to figures I may say that the British Legation's estimates for 1942 will be just under 9,000,000 tons, and coal exports from Germany 3 1/2-million tons. Both Legations take the position that this indicates that Sweden is cutting down on her ore exports almost to the extent that Germany is unable to fulfill her commitments for coal. But I regret that I cannot feel confident of the accuracy of these figures.

To the East, Sweden, as the keystone of the Scandinavian pro-German arch, is constantly granting credits and such aid as she can to Finland. The Swedish-Finnish Trade Agreement for the first six months of 1943, which was announced as concluded on October 30, remains substantially unchanged from 1942. Sweden is reported to have granted a credit of 10-million crowns to Finland, to have extended all her old Finnish debt, and to have given Finland additional credit of 5 1/2-million crowns to permit Finnish purchases of butter and other foodstuffs from Denmark. Leaving aside for the moment the humanitarian aspect of such credits, they are of course indirect aid to Germany and indirect aid to the Finnish effort against Russia. I was unable to obtain, either in Sweden or in Finland, any exact statistics as to the total Finnish debt to Sweden, but I have fairly good authority for the statement that it approximates 1-billion crowns. Nevertheless, the Finns cry to Heaven against Sweden for the small amounts of their credit and miscellaneous aids, and are extremely critical of Sweden for not aiding them in their fight against Russia. It is difficult for them to understand Sweden's effort to ride every horse

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in the race with equal agility.

Here then is the brief summary of Sweden's current aid to the world enemy. Toward these operations in general the attitude of both the British and American Legations, and I assume, echoed by their respective Foreign and State Departments, is briefly this: The constant pressure on Germany to ship coal to Sweden uses up a tremendous amount of German manpower. The coal which Sweden receives from Germany is essential in the development and manufacture necessary in the Swedish armament program. If there were no coal, the entire morale of Sweden would collapse. In connection with any favorable development in the war, and particularly in connection with the attempted invasion of Norway by the Allies, we would greatly need Sweden's help and, therefore, we must take every means to keep them friendly. If we threaten Sweden in an effort to force the discontinuance or partial abatement of her shipments to Germany, we will force Sweden into the arms of the enemy. In any event, we have but two recourses of a non-military nature: (1) To refuse any navicert shipments of any kind to Sweden, and (2) To threaten her with retribution or even war if the aid to Germany continues. The Legations take the position, as I have pointed out, that threats will throw Sweden into German arms, and that if Sweden made any substantial concessions to us in connection with shipments to Germany, Germany would not permit the passage of navicert ships. Hence the impasse and the existing stalemate.

Please keep in mind in this discussion that I am not familiar with the development or the outcome of the present negotiations being carried on in Washington between Mr. Johnson, the State Department, and the Swedish Ministers; and, accordingly, these theories when they reach you may possibly be obsolete.

The answer to this whole question inevitably ties up with the question of Sweden's military strength and her willingness and/or ability to fight. The proposed navicert shipments of gasoline and lubricating oils are, of course, stated to be solely for the Swedish Navy and Air Force. I shall not attempt to prophesy but will simply give you the opinion of a disinterested traveller in Sweden whose ~~hears~~ on every side is that in case of involvement in the war, or attack, "The Swedes would fight to the last man". My opinion, for what it is worth, is that the Swedes under no conceivable condition would ever fight in this war unless they were directly attacked. As I have pointed out, they have had 120 years of scientific and successful evasion of war, and they have a thorough belief that they can in some way maintain their so-called neutrality and wangle through the present situation without loss of Swedish blood. While they have attempted to develop a substantial army (and I have, unfortunately, no actual figures as to their armaments; these figures are no doubt in the hands of some of our Government branches and obtainable in Washington), I strongly doubt the ability of the Swedish Air Force to make any substantial defense of Sweden with or without gasoline, and I would be astonished if a fairly all-out German attack on Sweden could not take every important city and line of communication within a week. Under the present circumstances Germany has no reason whatever to take or attack Sweden. Germany is getting from Sweden substantially everything she desires and, I would think, should have no particular wish to spread further her lines of supplies and conquest. From the Allied point of view, particularly with the success of the Allied armies in recent weeks, I believe that Sweden would go to almost any length to escape threatened war with the United States and England. She will not, without great further sacrifice, yield her position of prosperity, comfort and ease.

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Any theory that the United States should invest in petroleum products for the Swedish Air Force and Navy would seem to me to present much more of a promise of a first-class boomerang than any great assistance to Sweden against Germany. May I point out here that the decisive factor in the Finnish-Russian situation has been the continued and implied threat of the United States to sever diplomatic relations with Finland, if Finland persisted in her present course. At least it has had the effect of somewhat restraining the Finns in their efforts on the Russian border.

It appears clear to me (in variance with other American thought on the ground, as I have pointed out) that the attitude of the United States Government toward Sweden - until she shows a real effort to discontinue her constant feeding of Germany, Finland, etc. - should be to express to Sweden, both through diplomatic representations and a flood of American opinion, the strong feeling of the United States and its citizens that (1) Sweden is giving direct and continued aid to the enemy in a war which involves only one question - the question of the defeat of the Axis; and (2) that any shipments or aid to Sweden of any sort, whether on an alleged humanitarian or actual military basis, be discontinued.

There is a third possibility and, I think, one not without merit, and that is the direct and continual sabotage of power plants and transportation facilities in connection with the shipments of ore and manufactured goods. I have pointed out that the mines themselves are not probably susceptible to action of this sort - but the power houses are, and the highly electrified railroads can be put out of commission and kept out of commission. Obviously Germany would not do this, and obviously, even though the saboteurs were not caught, Sweden would know that this work was done by America. That, of course, contains the risk of, as the Legations say, "throwing Sweden into the arms of Germany". But against that I must fall back on my thesis, that under no conceivable conditions will Sweden fight unless she is directly attacked.

But obviously one branch of Government service cannot properly work along one line while other important branches work along a definitely opposite line. These shipments to and this feeding of Germany will continue just so long as the American powers-that-be feel that it is more important to keep Sweden "friendly and neutral" than it is to stop her aid to the South. That problem I am afraid is a tough one.

The British judgment as to the cure of the ore export situation follows an entirely different line and is, in brief, a plan of constantly attacking ore transportation through the bombing of German boats crossing by the various routes to Germany, including the Trelleborg Ferry, the destruction of shipping facilities at Narvik. The British Secret Service in Stockholm have written me a full memorandum on this matter which was to come by diplomatic pouch, as I did not dare to carry it with me. It has not yet arrived but will be sent to you either attached to this report or in a later pouch.

It is impossible to enumerate the sources of the opinions which I have expressed to you. They develop from countless talks with Swedish bankers, shipbuilders, manufacturers, motion picture people, officers, men in the street - everywhere. I do not mean to give you the idea that the opinions which I have given are the opinions expressed to me by Swedes - quite the contrary. It can

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be best expressed by telling you of a luncheon which I had in the apartment of one of the leading industrial men of Sweden, who spent most of the luncheon hour expressing his delight at the American victories in North Africa and his strong pro-Ally feelings. Following the luncheon we adjourned to his library, where we had coffee, facing a large and personally autographed photograph of Mr. Goering!

Through the good offices of Count Bernadotte I had about an hour's audience with Crown Prince Gustav Adolph, after written assurance that I would in no way quote anything which the Crown Prince told me. But nothing could be quoted with any fear of international difficulties as it was largely a discussion of Chinese art, and no sophistry, suggestions, or questions could bring him to any discussion of the political situation in Europe. I tried very hard to persuade him on the occasion of his sixtieth birthday, which occurred during the week in which I saw him, to give us a brief newsreel sending birthday messages to the Swedes in America. This he would not do, apparently fearing that it would be an occasion for objection by the German press. He constantly emphasized the difficult position of Sweden which particularly forced the Royal Family to be especially careful in any statement and every gesture. After a great deal of urging, he finally permitted us to take a picture of the ceremonies in the Palace connected with his birthday celebration but sent us word that the same opportunity must be given the Swedish newsreel and the German newsreel. It is popularly reported in Sweden that the King is fairly pro-German, perhaps on account of his marriage to a German woman; but that the Crown Prince, on account of his English wife, is somewhat more pro-Ally.

During my stay in Sweden I spent some hours trying to persuade Gundar Hagg, the great Swedish runner, to come to the United States and run in Madison Square Garden, arranging for cables of welcome to come to him from the United States, which were duly published in the Swedish press, which constantly urged Hagg to make the trip. The Berlin Press and the German newspapers in Sweden immediately broke into print and criticism, expressing the hope that Hagg would not be enticed by American dollars, the whole idea being surely only for propaganda purposes.

During my entire time in Sweden I never saw or heard but two planes in the air, and I think these were both commercial planes. There were various articles and editorials in some of the Swedish newspapers during my stay which were definitely anti-German, and various reports were published of Swedish air defense guns firing at German planes which had come over the border. However, it is not inconceivable that the German propaganda office does not discourage developments of this sort, with the idea that the Allies will become convinced that Sweden is thoroughly pro-Ally and will be left alone.

From the earliest days of developing intelligence, a Finnish child is taught that "the Russians will get you if you are not good", and the fear and hatred of Russia is ingrained in every Finnish mind. It is a development of many generations, tremendously increased by the developments since the "winter war" of 1939. The following expressions, which constitute the parrot-like credo of substantially every Finn, sum up the Finnish viewpoint:

"We are a free people; if Russia wins, we must die."

"We cannot quit this war - Finland is full of Germans; if we quit, what happened to Norway would be but nothing."

"Our war with Russia has nothing to do with the World War. We hope that the Allies will win but that the Russians will be defeated."

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No matter to whom one talks in Finland, those answers are always the same. It is like a lesson a school child learns to recite without altering a single word.

I had no difficulty in obtaining a visa to Finland as an official of Paramount Pictures, although it was necessary to cancel my visa for Great Britain to obtain it. Two large planes, heavily loaded with passengers but with no visible flight, left Stockholm for Helsinki the morning I took the trip, which was made in an hour and thirty-five minutes. The first view of Helsinki disclosed the same great piles of wood as were evident in Stockholm - but here the similarity ended. Finland is a dirty, depressed, slovenly, unkempt, unhappy country, beaten and discouraged by three years of war, poverty-stricken, and with, I think, little real hope of the future. Only their astounding racial stubbornness holds them to the hope that a German victory will in some way save them from the Russians or that some miracle of Fate can defeat Germany and Russia at the same time. Their minds are closed to the impossibility of such an eventuality; but nevertheless they strive desperately to create the theory that their participation in the war is merely against Russia, that the United States is their good and only friend, and that in the simple and soft heart of the American will be found complete forgetfulness after the war of the help that they have given to Germany and the fact that for months, whatever their fighting activity or lack of it, they have held thousands of Russian soldiers tied to the North Front and aided Germany in her destruction of American citizens and cargoes in the North. There can be no stranger political paradox in the history of the world, nor a stranger distortion of thinking, than exists in Finland today.

I have pointed out earlier in this memorandum what appears to be fairly complete German control of political action and freedom among Finnish officials in connection with American pictures. I was told in Stockholm that it was extremely doubtful if President Ryti would see me, but I made every effort not only through our organization in Helsinki and its counsel, but through the American Legation to obtain an interview with him. Mr. Ryti asked what I desired to see him about and if it was in connection with the barring of American newsreels in Finland. Feeling that if I said it was he would turn me over to a minor official, I sent word to him that as one of the first American business men to come to Finland for some time and as, perhaps, representing an American industry most in touch with national feeling in every country, I desired merely to pay my respects to him and bring him a message from America. Three hours later he sent a message to me that he was unfortunately too busy to see me during my stay in Finland. Accordingly, my discussions were confined to members of the Cabinet (including Mr. Tanner, the Minister of Finance and formerly a leader in the Russian-Finnish negotiations both before and after the "winter war"), with industrial leaders, lawyers, men in the street, and members of my own organization, a number of whom spend certain months in the Finnish Army and then are allowed to return for a brief period to their own work.

There is no possible question that Finland is in a desperate situation in its political relationships, its military entanglements, and its supplies of food and fuel. I have already referred to its almost psychopathic fear of Russia, its almost equal fear of Germany, and its fast hold on the tenuous hope that the United States will in some way save it. This is its political situation.

From the military point of view Finland has very little, if any, air defense. While the Russian raids are few, there were 45 people killed in the center of the

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city during a mid-day raid on the Sunday prior to my visit when one Russian plane came over the city and dropped two bombs. During one of the days of my stay in Finland there was an air alarm in the middle of the day, in clear sunshine. The streets were instantly cleared, even conductors of trolley cars and passengers being forced into the air shelters. Not a human being was visible on the streets of Helsinki except the police, enforcing the law requiring the people to go into air shelters. Not a Finnish plane was visible, nor did I see or hear any plane during my stay in Finland. Inquiring from Finns as to why Helsinki was not protected, their opinion seemed to be that Finland had neither planes nor patrol. I believe that any real raid would substantially destroy every Finnish city in short order. The whole national attitude is, I think, an attitude of defeatism, with desperate hopes that in some way - by waiting and waiting and waiting - a break for Finland will come.

From officers in the Finnish Army whom I know and can trust, it was apparent that most of the reports which we have had as to the location and action of the Finnish and Russian armies were correct. Substantially all of the German divisions are on the northern and eastern front with few Finns, except as a sort of guide, and the Finnish Army is substantially located in the South. There are few if any Germans on the South front. I was told that substantially no Finn knows the origin or names of the divisions or companies of the German soldiery which are transported in closed trains, with knowledge of their movements hardly given to the Finnish High Command. There is little or no fraternizing on the lines between Germans and Finns, and substantially all of the German equipment, including food, apparatus of every sort, and even telephone poles (although there is ample wood in Finland), is brought over by the German Army and Staff from Germany. The Finns, if they have any admiration for anything left, have a tremendous respect for German organization. The Finnish officials state, and I think with honesty, that there has been practically no fighting for the last few months so far as the Finns are concerned and that any skirmishes are started by the Russians. Their feeling is reflected in general by the following bases of thought:

- (1) Let "Goeyne" (Germany) do it.
- (2) Germany has double-crossed them by not taking Leningrad from the south and west.
- (3) Finland has already been bled white in her loss of men through the "winter war", and her activity in 1941, and she fears the loss of additional men.
- (4) The lack of public opinion in favor of any territorial aspirations, and the national desire only to get their old borders back.
- (5) Finally, their intense desire to ride both horses and keep the friendship of the United States by holding the status quo and failure-to-attack-Russia story.

Finns make the following statements that

- (1) If the United States breaks diplomatic relations with Finland, they will march to the White Sea; and
- (2) Finnish influence alone has kept the Germans from cutting the Murmansk line at any point north of the branch line to Moscow.

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Military opinion seems to be that even with the Finns it is doubtful if Germany could cut through this line without large reinforcements. Whether or not this is true, the British, I think, largely feel that we should at least for the present continue diplomatic relations with Finland and not risk any all-out desperate Finnish-German effort against our northern supply line to Russia. Be this as it may, I am convinced from information obtained there that the President and leaders of Finland have a firmly rooted belief that the United States Government has turned against Finland but that the majority of the American people are still pro-Finnish and their firm friends.

True or otherwise, Scandinavia is filled with stories of the inefficiency of the German soldier in the Finnish forests, and the favorite story is that the Finnish woods echo with the cries of frightened German soldiers, "Heils, where are you?" While, as I stated, the Finn is admiring of the German organization efficiency, he is cynical and contemptuous of the fighting power of the German on Finnish terrain, and it is not without malice that the Finns have helped to wangle the German army to the north, while they hold the south.

The long discussions which I had with Mr. Tanner, the Minister of Finance, was my most interesting hour in Finland. Tanner reiterated all of the standardized Finnish viewpoint, which I have discussed above, but when I tried to convince him that no human agency or combination of nations could defeat the United States he was frankly sceptical and said, "Why are you so sure that you can win the war?" The most careful analysis of our position and production, of manpower, planes, petroleum, ships, and armament brought the reiterated comment "You are a long way away; Finland can wait."

To a tentative feeler as to whether Finland would be influenced by a substantial loan for the purchase of food, and to my comments that Finland was in pretty desperate shape financially and otherwise, he stated that a loan would be of no value to Finland now, despite the food and other obvious situations.

While the food, ^{situation} in Finland is obviously pretty desperate, I was repeatedly told on the best authority that it had greatly improved over last year; but it was not a pleasant sight to watch several hundred women congregating at different points in the harbor waiting with the hope that a fisherman would come in with a small catch. The national bread is practically uneatable; and while the vegetable and root crops have been good this year, there are widely expressed fears of national starvation in the late winter and spring prior to the new crops. Meat is almost unknown; nevertheless, the black market flourishes, and at one or restaurants in Helsinki it is possible to dine at fabulous prices on food which would be the equal of almost anything in New York or London. The cost of living to the average Finn is fantastic, and the general index based on 100 in 1939 runs now about 300. Strange inequalities exist, however, and in the hotels most of the best apartments (which, for instance, are very cheap) are occupied by German civilians or officers, whose smart uniforms form a striking contrast to the shabby Finn. However, there is little difference in the shabbiness of the German common soldier seen on the street as compared with the Finnish soldier.

The position in which Finland now finds herself is, I regret to say, in my opinion largely her own fault. However much the Finns may cry to Heaven that they were attacked by Russia in 1941 coincident with the German attack on Russia,

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November 20, 1942

my own opinion is that their President and politicians thought they saw an opportunity in 1941 to regain their old borders, and promptly took advantage of the situation. Later they were unable or unwilling to refuse help from Germany, and now find themselves in a political trap from which they are unable to extricate themselves. The mentality of the Finn is unquestionably the most stubborn in the world, and no logic or reason will often appeal to their opinion once formed.

From the point of view of possible propaganda efforts by America and Finland, my recommendations would be largely similar to those made in earlier pages of this report in connection with Sweden - excepting that the information coming from America and from the Finns in America should be to the effect that this is a total war and is so regarded by everyone in the United States. There is only one question involved in it and neither the Finns nor any other nation can wage a private, personal war and set it apart in a cupboard in a far corner of the world room. The Finns should be made to understand that the United States is not quite the soft-hearted patay they believe, and that Finnish popularity in the United States is fast vanishing; that even at the risk of a brief German occupation the only hope that the Finns have for a place at the post-war table is an immediate peace with Russia, whether with old borders or new. They should be made to understand that if they make no such gesture, it is going to be extremely difficult for the United States to refuse Russia any position she desires in Finland after the war on the plea that Russia held the fort for many months while the United States was preparing.

Incidentally, this last theory is of no small importance in propaganda to Sweden, for the Swedish fear of Russia is almost as great as the Finnish fear, and in the mind of the average Swede about the most terrible thing that could threaten him and his country would be the occupation of Finland by Russia.

In the determination of the question of maintenance of American diplomatic relations with Finland, the final decision must be almost entirely a military one, and a judgment of whether or not the Russians could hold their present positions whatever the Finns did. It is my own opinion that we are correct and of service both to ourselves and to Great Britain in continuing these relationships on the theory that even if Finnish and German action is holding about 25 Russian divisions in the north, it is of no tremendous military importance so long as the present status quo is maintained.

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SG:mr

Colonel Donovan

November 22, 1942

AGENDA

Without undue excuses, I want to say that I have been in great haste to prepare this brief report to you so that it might reach you before the negotiations with the Swedish Ministers are concluded in Washington. Even with such speed as I have been able to make, I may have failed in this desire. I have not even taken time to re-write a sentence of this dictation and, accordingly, it is doubtless somewhat disordered and in places obscure. This I know you will understand.

Since I started this dictation Calvin Hoover has arrived in London and I had lunch with him yesterday when we had a thoroughly complete discussion of the Scandinavian situation. I have urged him strongly to make the trip to Sweden, and I am sure that I can place facilities at his disposal which will be of great aid to him. Unless he has the bad luck which I had in Scotland, he should be able to make the trip and accomplish a great deal within a very few days; on account of the fact that his basic knowledge of the Scandinavian situation is so much greater than mine, he can accomplish much more in a shorter time. I have urged him to go in any possible way, if he can, except as a representative of the State Department; and in this connection I can be of some service.

In the haste of writing this report there is one important subject which I have neglected to cover but which can be easily handled by Mr. Hoover or by the Commercial Attachés of the Stockholm Legation in case a decision is made to proceed along this line. That is the possibility of an American agent bidding up the price of the Swedish ore and/or fabricated metals to a point where the Germans will be greatly hampered and the Swedish credit to Germany strained even more severely than it is now. This, I suppose, is a problem for the Board of Economic Warfare, but it should be considered.

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OFFICE OF STRATEGIC SERVICES
UNITED STATES OF AMERICA

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AMERICAN EMBASSY

LONDON

November 19, 1942

Dear Bill:

As I cabled you yesterday, I have just returned from about a month in Sweden and Finland, and I am starting to prepare for you as full a report as possible on the situation as I found it there. In the meantime, however, I want to get this letter off to you with such speed as I can, giving you some of the personal aspects of the situation which I shall, of course, not fully cover in the formal report.

Had I had no connection whatever with your organization, I think that at least from the points of view of the motion picture industry and American propaganda it was extremely fortuitous that I made the trip for I can say without reservation that about the only effective source whatever of American propaganda now reaching either Sweden or Finland is through American motion pictures. The day I reached Stockholm I realized this was about to be completely cut off from both countries on account of the fact that Sweden was practically without raw stock (the trade name for unprinted or undeveloped film) and that supplies in Finland were completely exhausted. Without elaboration, may I say that this subject has been before the State Department for several months but still remains unsolved. I devoted a tremendous amount of time to this situation, which I shall cover more fully in my report and which I believe we can at least stop-gap here in London. However, as I write, there is little prospect of an American newsreel in Sweden after next week and no present prospect in Finland unless this question is solved.

Sweden and Finland are substantially cut off from the rest of the world and, in the minds of few Americans in these countries including the Legations, are regarded as forgotten countries. While cables go through from Stockholm to New York in a few hours, cables from Stockholm to London - apparently on account of the laborious British censorship - take from four to six days. Transportation is almost hopeless between England and Stockholm. I myself spent what you can imagine were ten charming days in Aberdeen, Scotland, waiting a plane, and during this time not a single Swedish or British plane crossed the North Sea. I finally did get over on a British plane and was the only passenger.

On the other hand, plane transportation from Stockholm to Finland is very

simple, once a Finnish visa is obtained. The trip from Stockholm to Helsinki

took only 1 1/2 hours, and planes are run daily by the Swedish Air Lines, which

also run the line to Scotland and to Berlin. There is no reasonable doubt in

my mind that the owners of this line, whom I now know well personally, have an

arrangement with the Germans whereby they are permitted, without molestation,

Colonel William J. Donovan,

Office of Strategic Services,

Washington, D. C.

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the narrow channel between Norway and Denmark. However, despite the darkness of the moon, and operate at about 25,000 feet. There have been periods of several weeks in recent months when neither Swedish planes operated.

As make an extremely dangerous deal with the operating personnel of the aircraft with one of the pilots, there is absolutely no way to send information from Sweden (and hence from Finland) except through our embassy through the good offices of the State Department.

Statements and activities in these two countries and on account of the report which I must make to your organization here and to you, of yesterday, you will realize that I may not be henceforth one of your visitors to Sweden or Finland. Of course I have no fear of your opinion when, as and if it will help to advance the war effort, but you will treat my comments on the State Department representatives as honest. I must honestly say I could not have received a warmer welcome or more hospitality than I received individually from all of the members of the Swedish government in Stockholm or from those at Helsingfors, from the Minister down.

When I was in Sweden, I met Mr. Johnson here in London prior to my trip while he was en route to the United States to meet the Swedish government in connection with the Trade Agreement. We spoke of Tikander's desire to go to Finland and the difficulties of his going. I offered to attach him as a member of our organization in Finland so that he might have more freedom of movement. Mr. Johnson's comment on this was "I think we had better talk that over."

When I returned from Hopper quite definitely that the Legation there was of the opinion that any outside activities whatever in Sweden were unwelcome. Hopper, who is attached to the Legation, must carry on all the protocol work as a Legation Attache. Hopper feels, I think, that he is tied hand and foot that he must more or less confine his work to an occasional lecture on the study of post-war possibilities. Tikander, on the other hand, seems to be doing more freedom, although it seems to me to be extremely unfortunate that he is planning to go to Finland again as an Attache of the Legation there. It appears that Mr. Johnson is entirely opposed to any operations in Sweden or to those carried on by the British Secret Service.

My conversation let me say that I have told no one, even our own people in London, that I had any connection whatever with OSS, although it is known that this was more or less known, judging from comments not from our side but from the British Secret Service. In Stockholm various outsiders have said "Hopper represents the Donovan office" or "Hopper is an American spy".

Before I went to Finland I dined with McClintock, First Secretary of the Legation in Helsingfors, who, without comment from me, expressed great interest that Tikander was coming to Finland and that any operation should be carried on in Finland except through the Legation. In Helsingfors, dining alone with McClintock, he of his own volition expressed the opinion that OSS was a very foolish idea, that in fact he did not want Tikander or anyone else to be attached to the Military Attache there had a pretty complete German order of battle and other desired information.

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In both of these countries, therefore, let me express the opinion that the State Department men for so many years have been thinking in terms of making themselves agreeable to the governments to which they are accredited, in terms of proposal and caution rather than action, have made so many personal relationships among the people of the countries in which they are living, that in many cases they have tended to think in nationalistic terms and the viewpoints of these people - with the attendant loss of the viewpoint of a total war in which there is only one question involved: The defeat of Germany. You will understand, I know, that this is not meant as a critical attitude towards our representatives in these countries but rather as a statement of fact as I found it.

There seemed to me no intelligent reason to take on or develop associates of our work in Sweden so long as the situation was as I have described it, and until conditions for getting out information were more available. More important than this, however - the one situation in Sweden which is overwhelmingly important is that of the Swedish exports of ore and fabricated metal products to Germany; and the suggestions which I have to make along this line will be fully covered in the formal report. In Finland, however, it did seem wise to make a tie-up and this I have done with a man who has close access to both Finnish Army officers and generals, and who, on account of his position, can travel unobserved, I hope, and without any restraint, to any city or town in Finland. I think it is perhaps better not to give you the name of this man or his position in this letter, but he is known to Tikander who understands that the man can come over to Sweden to talk to him at any time. I am paying him the munificent sum of 2,000 Finn-marks a week, which is approximately \$40.00.

As I cabled you, I have arranged ample currency supplies in Finland, Sweden and Denmark, where we have a substantial flow of funds, the only difficulty here being the watchfulness of governments and their immediate inquiries in case of substantial withdrawal of currency.

Finally our organization in Stockholm remains one of the few known American companies whose personnel is able to telephone freely to Copenhagen. With all this Tikander is familiar, and if your answering cable authorizes putting funds at his disposal for plans that he has in Denmark and Finland, these funds will be made available.

I shall not attempt in this letter to summarize my conclusions as to these two countries from a military viewpoint or their relation to our war effort, except to say that I believe the Finnish situation from our viewpoint is substantially hopeless but that I am violently out of sympathy with the attitude of both American and British Legations in Stockholm that the Swedish nation should be treated with a sort of a Good Neighbor Policy. While it may be true that the great masses of the Swedish people may hope for an Allied victory, such a hope is rooted solely in their fear of Germany. Sweden, through her exports to Germany, however, and under the stated duress of need of fuel, is daily feeding the heart of the German war effort through the exporting of almost 10,000,000 tons of highest grade ore in Europe, and through every kind of shipment of manufactured high-grade steel. They are fat, prosperous and complacent, and are confident that they can continue holding out the hand of fellowship to the Allies while the other hand is over-worked in assistance to Germany. They confidently believe that their successful national training in the evasion of war over a period of 120 years will carry them through. And while the remedies which I shall propose in my report may be possible, they are extremely improbable unless the State Department and the British

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change their position towards Sweden; for at the present time they are not even shaking their finger at them, let alone their fist. The only successful propaganda in Sweden would be such Allied victories as would convince Sweden that the war was going to end neither in a German victory nor in a stalemate, and that Sweden would not be welcomed as a last-minute arrival on the Allied bandwagon. It was for this reason that I emphasized in my cable to you the hope that at least the opinion of a disinterested observer might in some small way get the State Department not to tie themselves up in a Trade Agreement with Sweden which would bind us in the unfortunate way that the British Trade Agreement has bound Great Britain. Sweden wants from us all kinds of supplies, chiefly gasoline, lubricating oil, fuel oil, meats, fats, etc., which are sent, you know, under navicert agreements. It may be an exaggerated opinion to say that every pound or gallon of these commodities which are sent to Sweden eventually feeds Germany.

Let me say in closing that the complacent attitude of the Legations which I have described has not in any way the complete sympathy of some of the best men in these Legations. Notably there is one man in Stockholm Legation who feels violently as I do and who, fortunately, is about to be transferred to Washington in leave. He will in due course call on you and amplify in person the theories which I have expressed and which I shall more fully outline in a formal report.

I cannot be sufficiently personally grateful to you for having given me this opportunity of making some slight contribution (I hope) to the war effort. I have enjoyed every hour of it intensely - even to the careful searching of my baggage in Stockholm through to my next-room neighbors, German officers, in the hotel in Helsingfors! As I told you in my cable, I shall remain here for the moment attempting to solve the raw film situation in Sweden and Finland in an effort to reestablish the American newsreels which have been completely excommunicated from Finland and which have not been shown for many weeks; also awaiting your further instructions or suggestions before proceeding to Portugal and Spain. My chances of getting into Switzerland at the moment look a little dim, but this situation may clarify.

Mr. Phillips and Mr. Shepardson have been extremely gracious and helpful to me throughout, and I am sending this letter to you through their good offices.

Sincerely yours,

Stanton Griffies

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OFFICE OF STRATEGIC SERVICES
UNITED STATES OF AMERICA

SECRET

AMERICAN EMBASSY
LONDON

November 20, 1942

*Cornelius Smith -
Mr. Rogers
Mr. Prince
Mr. Lange.*

To : COLONEL WILLIAM J. DONOVAN
From: Stanton Griffis

In accordance with your instructions, after reaching London I proceeded to obtain a visa for Sweden and transportation to Stockholm via the Swedish Air Line. On October 9 I was told to proceed to Scotland whence the Swedish plane was leaving the next day. On arrival in Aberdeen I was told that no planes were there or expected although one plane had left the day before, without passengers but carrying mail solely. From this time for a period of about ten days I was called daily in reference to the flight, and frequently told that if a Swedish plane did not go the next day, I would be sent on a British plane. Nevertheless, no planes, either British or Swedish, flew the route during this period, and ten days later I was instructed to proceed to a British airfield whence I would be taken over that night. On arrival I was told that the plane was so loaded it could carry only three passengers, and as my three fellow passengers were British and Swedish carriers of diplomatic pouches my trip was again postponed. However, on the next night I left for Stockholm on a British plane, being the only passenger, with a Norwegian crew of three. We were blacked out, equipped with Mae Wests and parachute harness, leaving at 6 p.m. and arriving at Stockholm Airport at 10:40. It was an extremely black night and I do not think that we flew as over 12,000-15,000 feet. The details are interesting solely as a contrast to the return trip by Swedish plane, which carried passengers only, using very little black-out and equipping none of the passengers with any life-saving apparatus. On the other hand, the Swedish plane flew at about 20,000 feet, and equipped the passengers with oxygen masks.

In connection with the use of these planes from Scotland to Stockholm, it is perfectly obvious that as the planes, both Swedish and English, fly from British fields and are under the control of the British Air Force, British passengers, British freight and British mail are definitely given priority over American shipments of passengers and/or freight.

The Swedish Airlines operate with their center in Stockholm, running daily services to Helsingfors and Berlin, and such trips to Scotland as weather conditions, reports of German activity, and political unrest permit. There is little question in my mind that the owners of the Swedish line have a working agreement with the Germans permitting them to fly safely over the narrow sea channel between Norway and Denmark, and that their extreme caution is based first on weather conditions but principally on reported air activity for fear that

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Colonel Denevian.....

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an unskillful or uninstructed German pilot might attack the plane. The planes are painted bright yellow as contrasted with the British planes which are fully camouflaged. During the past few months there have been periods of weeks elapsed when no planes, either British or Swedish, made the trip; resulting in a tremendous piling up of mail, diplomatic pouches, passengers and freight at both ends of the line. At the present time this has been pretty well cleared up, but with each rising moon and reported disturbances in Norway and Denmark the services again become irregular. Except through these planes there is no way of transportation between England and Sweden, and hence through Sweden to Finland. The transit

of mail from the United States to the Scandinavian countries varies from about seven days to a period of months; the 1941 Christmas cards from America have not yet reached Sweden. Cable service from Stockholm to New York is swift and accurate, night letters being delivered in about 18 hours from the time of transmission; while cable service to England is extremely bad, most fast cables taking a minimum of four days. From the point of view of propaganda arising from correspondence between Sweden and Finns in America and their native countries, much encouragement has developed on account of these delays that there is extremely little intercourse between the two countries, and Sweden and Finland are substantially cut off from the rest of the world. It might be interesting to note that the first entry in the Visitors' Book at the American legation in Stockholm was dated July 1941. There are substantially no Americans in Stockholm or in any towns outside of the legations.

The visitor to Stockholm suddenly realizes the complete lack of petrol in the nation when he sees every car equipped with an apparatus burning charcoal, producing a gas which is forced into the cylinders to operate the car. Taxi service is plentiful, as it is in London; but all cars and trucks are operated by charcoal burners. Stockholm, however, is brilliantly lighted at night, as is every Swedish city, there being no lack whatever of electric power.

The trip from the airport in Stockholm to the center of the city immediately illuminates Sweden's great need and her constant excuse for trade with Germany; i. e., lack of coal. Every street, every vacant lot, and every waterfront is taken up with huge wood piles brought into Stockholm from the neighboring forests to furnish heating for the coming winter. The city is one huge pile of logs and cut wood. Nevertheless, the buildings (including even the hotels) are heated entirely heated, and no apartment house is allowed hot water except one day a month. Most extra heating apparatus are illegal, and wood for a fireplace involves negotiations with the black market.

Food and, in fact, most commodities are regulated in price throughout the country, and substantially all foodstuffs, even in hotels and restaurants, can be obtained solely on the coupon system even to the last piece of bread. However, practically all staples are available with the exception of meat, eggs and tobacco, which are the rarest commodities in Sweden and are practically unavailable to the average citizen. In general, I should say that the food supply was as plentiful and as good as the average in England. All kinds of food exports from France, Italy, and Germany are available - such as many fruits, wines, etc., which are impossible to obtain in Great Britain. The entire aspect of the people is one of prosperity, thrift, contentment and a high standard of living. In general, the people are infinitely better dressed and, I am inclined to think, better fed than in Great Britain. There is no unemployment whatever; in fact there is

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extreme difficulty in obtaining labor either general or white-collared throughout the nation. The sudden transition from England and Scotland to Sweden is a surprising jump from war-weariness, bitter suffering and dogged determination to a country which, from the contrast, seems to be flowing with milk and honey. It should not be understood from this that the Swedish nation does not constantly cry about war, protestations of suffering, lack of food and lack of fuel.

It is natural that on account of my immersion in the business of manufacturing and distributing motion pictures I should, perhaps, place undue importance on this matter as a form of propaganda; and it is but natural, too, that my first contact in Stockholm should be with my own organization. It was, therefore, somewhat surprising that I discovered that a shortage of raw film existed in Sweden, that the entire production of both feature pictures and newsreels and that, in addition, supplied from Stockholm, the entire supply in Finland had been exhausted on our own failure to supply these countries was a burden almost as great as the effect of German control in Finland, which had resulted in completely banning American newsreels, and the German influence on the censorship in Sweden which resulted in the banning of an uncounted number of American features which in some instances a slight aspect of villainy to any German character or which touched on the opinion of the Swedish censor) too much on war problems. With reference to this censorship problem in Sweden, let me say that the invariable answer of the Swedish censor to the protests of the American picture distributor is to the effect that if he grants permission to show a certain type of picture produced by America, the Germans will ask for ten times as much. On the other hand, there are a few German pictures shown in Sweden; the German newsreels, however, are not only extremely popular but extremely good. To this I shall refer later.

There have been practically no shipments of raw stock into Sweden for some time, and for a period of months the Legations, both in Stockholm and Helsingfors, have been importuning the State Department to permit shipments of raw stock through neutral ships. Such shipments are now promised, but are not on the water so far as I know. This, together with the difficulty of freight transportation from America, has brought about an acute situation in Sweden and a complete collapse in Finland. However, through cables to the various companies in the United States, through possibilities developed in England during the past few weeks, I believe that we will shortly be able to obtain a flow of raw stock to Sweden and thence to Finland. In the meantime, the growth of German pictures in Finland has been tremendous and/or American newsreels are permitted to be shown, and there is a gradual coming out of American motion pictures in Finland.

A German manufacturer will sell German raw stock to any American company for any production of American films in either country. However, at the risk of violating the Trading With The Enemy Regulations, but with the knowledge of the Legation, we were able to buy a fair stock of film from a Swedish producer without any indication as to its origin. As we paid him a substantial profit, he can no doubt finance it from his friends to the South. This, of course, we will be able to do eventually.

In connection with the banning of American newsreels in Finland on account of their alleged war propaganda, I have arranged with Stockholm to prepare a newsreel

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Colonel Danov in

of American life which will be entirely innocuous, beyond criticism so far as war propaganda is concerned, and without any views of American war effort. This was counsel in Helsingfors (who, incidentally, is the law partner of Procope, one of the British Minister in Washington) will submit to the censor; and if this is the case we shall take this as a partner with the State Department and attempt a final showdown as to the Finns' ability or willingness to show American newsreels.

The time allotted to newsreels in connection with feature pictures in Sweden is so short that it is impossible to show much over 1,000 feet at each performance, of which there are only two a day in all Swedish theatres. We have arranged, through conferences with the British and American Legations, to combine the entire newsreel with certain parts of the British newsreel, which as one is shown on alternate weeks under the titles of "Paramount News" and "Fox Movietone News". This combines an attempt to satisfy the British in their desire to show some British pictures, the desire to keep alive the trade names of Paramount and Fox, and a concealment of the fact that there is any special newsreel manufactured for propaganda purposes such as United. While the plan works fairly well, it is not without constant complaints on the part of the British that American news is being featured as against British. Only one theatre in Stockholm operates exclusively on newsreels, and this in the afternoon solely. It gives a one-hour newsreel including shorts, the Swedish newsreel, Fox or Paramount (United), and

The UFA newsreel is one of the best in the world and has a tremendous advantage over us in its ability to show news which is current or very recent, although it is apparent to the professional (if not to the laymen) that many of the news features of German victories are manufactured in advance. Under no circumstances, however, must the competition and the genius of the UFA newsreel (called in Sweden a 'Revu') be under-estimated. A typical UFA reel shows, for instance, (a) beautiful pastoral scenes in Denmark, a happy people working contentedly gathering huge crops; (b) sailing races in France, a happy and contented nation at play; (c) a great German victory at Stalingrad; (d) the peaceful Russian people happily farming 25 miles back of Stalingrad in the territory already occupied by the German forces; (e) German soldiers returning from the Russian front, each being given with the affectionate compliments of Mr. Hitler a tremendous box of food and presents for their families; (f) finally, as the pièce de résistance, a speech by Goering in Berlin.

The newsreels are 100% propaganda and they are substantially the best propaganda, which Germany is producing in the so-called 'neutral' countries. Actually, German propaganda feature films as well as British films, which have been banned by the censor, are shown privately to large audiences by personal invitation. One of the most interesting sidelights on the whole Allied situation came to me through the request of the British Embassy for us to obtain a print of "Sevastopol", a famous German propaganda film which was being shown privately and which the British desired to see. They were willing, if we could do it confidentially, to show privately to the Germans some of their propaganda films, but their basic fear of this entire deal was that the Germans would resent the plan but that news of it would reach the Russian Embassy through the Germans and be used immediately as a basis for propaganda to the Russians that the English, Americans and Germans were

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November 20, 1942

Colonel Donovan

being little fraternizing at the expense of the Russians!

There is an atmosphere of complete suspicion in these Scandinavian countries as between the Russians on one side, and the British and Americans on the other. The Americans apparently trust no one and herd entirely by themselves.

On the whole question of propaganda in Sweden and Finland may I repeat that there is substantially the only effective form of propaganda going into these countries is through American film. As compared with an organization of over 200 people tied into the German Legation in Stockholm, our Legation totals about 20- with an approximately equal amount in the British Legation. As compared with substantially no Americans and few British in these countries, there are approximately 8,000 Germans in Sweden alone, receiving the most complete weekly Berlin instructions as to their course of action, their method of spreading German thought and viewpoint and their personal conduct towards the Swedish people. As compared with constant difficulty in obtaining the British Broadcasting Company short-wave broadcasts from London on the few short-wave sets existing in Sweden and Finland, we with substantially no broadcasts whatever available from America, the German stations pour a constant flow of news and propaganda over every type of wave length and excel in their astonishing ability to interfere with and blot out the BBC broadcasts. Germany broadcasts in perfect English as well as in perfect Swedish and Finnish. Italy chimes in on a somewhat smaller scale, using such type of propaganda as happy messages from English prisoners in Italian camps to their relatives in England, giving names and addresses.

Each Embassy issues a daily news report colored from the nationalistic point of view, and these seem about equal in value. Taken altogether, the British and American propaganda now existing in Sweden and Finland, as compared with the German operations, has all the efficiency of throwing a peanut against Radio City. One of the brighter aspects, however, is that the Swedes are fed to the teeth with German propaganda. A large part of the books, pamphlets, etc. distributed to citizens, schools, colleges, etc. are no longer read. It has become stale and tiresome, but it is unrelenting and continuous in constant flow.

From the American point of view, specific recommendations for improvement in the situation should include:

1. Continuation and improvement in a flow of American features and newreels through Sweden and Finland by such methods as have been outlined earlier.

2. The establishment of a 100 percent. American broadcast to both Sweden and Finland, preferably from an English station on account of distance but certainly, if possible, having no connection with the BBC; and using, as well as typical American comedy and other programs, talks from leading Swedes and Finns in America. I cannot emphasize too strongly the necessity of separating the American broadcasts from the British. The British broadcasts are old stuff. They have lost their efficiency, and they are difficult to get. Of a lesser importance, too, is the fact that the British have had several hundred years to build up animosity between the British Empire and Scandinavia. We are somewhat newer at this.

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Colonel Donovan.

3. An organized campaign in the United States to persuade Swedes and Finns, both first and second generation, in the United States to write more frequently to their friends and relatives in Scandinavia. The feeling that letters take months in transit must be and will be corrected. But at the present time the average Swede or Finn has long since become discouraged in his attempts to keep up contact with comrades or relatives in the United States. There is a population of probably less than 7,000,000 in Sweden, and there are probably between 1,000,000 and 2,000,000 Swedes in the United States. Properly organized there could be no greater or more successful form of propaganda.

4. There are practically no American newspapers or magazines coming into Sweden today. Their very names have been practically forgotten, and it is of great importance that a flow of American periodicals be re-oriented for Sweden.

5. I will refer at much greater length hereafter to the attitude of the State Department - what seems to me to be a complacent attitude towards the tremendous flow of commodities into Germany from Sweden, feeding the heart of the German war effort. There must come out of America to Sweden a knowledge that there is a rising tide of bitterness in the United States against Sweden for this - no matter what her excuses for doing it may be. There must be expressed to Sweden a knowledge that she will not be welcomed as a last minute arrival on the American handwagon. And she must hear this from her own people in the United States. Any consequent thought in Sweden which results in the slowing up or the direct or indirect sabotaging of such shipments is of great value.

6. Of course, in the last analysis, no form of propaganda will be as effective as the flow of news into Sweden of Allied victories and advances. There is nothing wrong with Swedish neutrality that a few great American victories will not cure. I have no desire to defend Goebbels' method of distorting the facts, but a little more enthusiasm and color in the reports of the American news agencies to Swedish papers in connection with Allied advances could be borne.

There are probably more newspapers in Sweden per unit of population than any other nation, Stockholm having about ten daily papers in which, however, the news stories are substantially the same except in the German controlled end of the press.

SUMMARY: A substantial part of the program outlined above for working toward more efficient American propaganda in Scandinavia points always to the need of more regular and efficient transportation. The American Government could well afford, perhaps with the assistance of the motion picture industry if necessary, to create its own line of at least two planes running between Scotland and Sweden and operated by pilots who feared nothing and who would be willing to take infinitely more chances than are taken by either the British fliers or the Swedish. If such planes could have an absolute priority on American shipments

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(such as films, raw stock, American mail, American newspapers and magazines, and American goods of all sorts), a tremendous amount of good would be accomplished. A flow of information to Scandinavians in America that such planes were available, and that letters, magazines, etc. could reach Sweden in a reasonable time, would create a flow of freight which would be weighted with propaganda. Such a plane service would, of course, have to be tied in to the English and Swedish operation flying fields which would be extremely difficult. However, it would be very worth it and if we could be absolutely certain of one trip a week of American goods and mail only, it would accomplish wonders. It would at least be as fast as the average cable service between London and Stockholm. This, however, is a matter which I shall plan to take up with the Embassy here for further report to you at a later date.

Now to come to the most important element in the Swedish situation so far as the war effort is concerned. In essence remains the fact that Sweden is exporting to Germany somewhere between 8,500,000 and 12,000,000 tons of the highest grade iron ore in Europe, together with uncounted supplies of fabricated metals, machines, etc.. A probably exaggerated statement made by a British attaché in Stockholm was to the effect that "Germany could not continue for six months without Swedish ore and supplies." In return for these favors Germany is furnishing Sweden with some 3,500,000 to 5,000,000 tons of coal annually which, except for petroleum products, is the greatest need of Swedish industry. I shall not burden you in this report with a mass of statistics as to these exports, the various Trade agreements between Sweden and Germany as to credits, etc.. You have practically all of these figures in your files, and my figures would be in many respects a duplication. You have also in your files substantially all the detailed information with reference to the location, condition, etc. of the mines, manufacturing plants, and railroads in Sweden - particularly the ones which are most closely associated with the important shipments of ore and metals.

May I pause here to pay my respects and compliments to the marvelous work which has been done by that branch of your organization which has produced and tabulated this mass of information. I am frank to say that I got very little statistical information in Sweden which was not available to me from your organization prior to the time I left Washington.

In brief, however, the great ore-carrying railroad runs from Luleå very near the Finnish-Swedish border in the North of Sweden, in a northerly and westerly direction to Narvik in the far North of Norway. The Norwegian part of the railroad is only about thirty miles, and the mines with their feeding power houses are located about half way between Luleå and the Norwegian border. The other mines of high grade ore are located only about 100 miles southwest of Stockholm and use various ports for trans-shipment to Germany. Metal fabricating plants are, of course, located all over the nation. During the season when Luleå clears of ice in the late Spring, to about the first of December, substantially all shipments from the North are made through Luleå; and thereafter the shipments are routed northwest through Narvik. The mines are substantially all strip-mines operated by steam and electric shovels; so that any military action against them is inefficient. Any such military action, it seems, must be directed against the transportation facilities and power houses. The Swedish Government is a substantial stockholder in this great group of properties, known as GRANGESBERG-OKSÄSUND.

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Colonel J. J. Donovan

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All of the reports which I had on these companies were unfortunately taken away from me by the Swedish police at the Stockholm Airport. I understand that the contracts for ore and/or fabricating metals made by Germany are substantially on an L.C.B. Sweden basis; so that if they are lost at sea or in any way by any action, the loss falls on Germany and not on the Swedes.

No foreigner and very few Swedes are allowed in the part of the country where the mines are located. The properties are said to be heavily guarded, and one of the largest military bases in Sweden is located at Boden near Lulea. During the past two years an unusual but obvious change has occurred in the movement of ore. While a few years ago approximately 85 percent of the Swedish ore was exported from the Northern mines and the balance from scattered properties, the movement is now said to be about 50 percent from the Southern.

In 1939 the British made a Trade Agreement with Sweden which was slightly revised in 1941, which provides in effect that Sweden shall be permitted to maintain her normal exports to Germany during the period of the War. The "normal exports" are defined, I understand, as of 1938 which was a high year for Finnish exports. Accordingly, the British are pretty well stopped from any attempt to prevent or slow-up these exports, and must confine their efforts largely to trying to see that the Swedes do not exceed their former tonnage. I personally have no great confidence in the published and governmental figures given our Legation and the British Legation on these exports, but I have no way of disputing them intelligently.

A clear sidelight on the whole situation may be found in the fact that while I was in Stockholm on the day of the first news of Rommel's defeat in North Africa occurred one of the heaviest breaks in years on the Stockholm Stock Exchange, affecting particularly the stocks of Swedish industrial properties - notably the mining properties. I am unable to give you accurate figures on the credits that Sweden is advancing to Germany, but you have certain figures which may be more or less accurate in your files. I doubt, however, if they include the credits from individual manufacturers which are almost impossible to determine. In one last reference to figures I may say that the British Legation's estimates for 1942 will be just under 9,000,000 tons, and coal exports from Germany 3 1/2 million tons. Both Legations take the position that this indicates that Sweden is cutting down on her ore exports almost to the extent that Germany is unable to fulfill her commitments for coal. But I regret that I cannot feel confident of the accuracy of these figures.

To the East, Sweden, as the keystone of the Scandinavian pro-German arch, is constantly granting credits and such aid as she can. The Swedish-Finnish Trade Agreement for the first six months of 1942 was announced as concluded on October 30, remains substantially the same. Sweden is reported to have granted a credit of 10 million crowns to Finland. She has extended all her old Finnish debt, and to have given a credit of 5 1/2 million crowns to permit Finnish purchases of butter and other foodstuffs from Denmark, leaving aside for the moment the humanitarian aid which is being given on a course indirect aid to Germany and indirectly to Russia. I was unable to obtain, either in Sweden or in Finland, any statement to the total Finnish debt to Sweden, but I have seen a statement that it approximates 1 billion crowns. The British are extremely critical of Sweden for her aid to Germany and Russia. It is difficult for them to understand the position of Sweden.

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the 20th and 21st of November.

Here is a brief summary of Sweden's current aid to the world enemy. In connection with the attitude of both the British and American Governments, as shown by their respective Foreign and State Departments, is the fact that the constant pressure on Germany to ship coal to Sweden uses up a great deal of German manpower. The coal which Sweden receives from Germany is used in the development and manufacture necessary in the Swedish armament program. If there were no coal, the entire morale of Sweden would be affected. In connection with any favorable development in the war, and particularly in connection with the attempted invasion of Norway by the Allies, we would greatly increase our aid; and, therefore, we must take every means to keep them friendly. If we succeed in an effort to force the discontinuance or partial abatement of aid to Germany, we will force Sweden into the arms of the enemy. If we have but two recourses of a non-military nature: (1) To refuse to accept any kind of aid to Sweden, and (2) To threaten her with war, even if the aid to Germany continues. The Legations take the view, I have pointed out, that threats will throw Sweden into German arms, and that Sweden will make any substantial concessions to us in connection with the aid to Germany, Germany would not permit the passage of navicert ships. This is the existing stalemate.

I must mention in this discussion that I am not familiar with the details of the outcome of the present negotiations being carried on in Washington between the State Department, and the Swedish Ministers; and, accordingly, the situation they reach you may possibly be obsolete.

As to this whole question inevitably ties up with the question of the military strength and her willingness and/or ability to fight. The navicert ships, lots of gasoline and lubricating oils are, of course, stated to be for the Swedish Navy, and Air Force. I shall not attempt to prophesy, but I will give you the opinion of a disinterested traveller in Sweden who has been there since the outbreak of the war, or attack, and who would fight to the last man. My opinion, for what it is worth, is that Sweden under no conceivable condition would ever fight in this war unless they were directly attacked. As I have pointed out, they have had 120 years of peace and successful evasion of war, and they have a thorough belief that they can in some way maintain their so-called neutrality and wangle through the war without loss of Swedish blood. While they have attempted to maintain a substantial army (and I have, unfortunately, no actual figures as to their armaments), these figures are no doubt in the hands of some of our Government representatives in Washington. I strongly doubt the ability of the Swedish Air Force to make any substantial defense of Sweden with or without gasoline, and I would be astonished if a fairly all-out German attack on Sweden could not take very important city and line of communication within a week. Under the present circumstances Germany has no reason whatever to take or attack Sweden. Germany is getting from Sweden substantially everything she desires and, I would think, would have no particular wish to spread further her lines of supplies and conquest. From the Allied point of view, particularly with the success of the Allied armies in recent weeks, I believe that Sweden would go to almost any length to escape threatened war with the United States and England. She will not, without great further sacrifice, yield her position of prosperity, comfort and ease.

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November 20, 1942

Colonel ~~Gov~~ H

Any theory that the United States should invest in petroleum products for the Swedish Air Force and Navy would seem to me to present much more of a promise of a first step than any great assistance to Sweden against Germany. May I point out here that the decisive factor in the Finnish-Russian situation has been the constant and implied threat of the United States to sever diplomatic relations with Finland if Finland persisted in her present course. At least it has had the effect of somewhat restraining the Finns in their efforts on the Russian border.

It seems clear to me, in variance with other American thought on the ground, as I have pointed out) that the attitude of the United States Government toward Germany moves toward effort to discontinue her constant feeding of Germany, and that we should be to express to Sweden, both through diplomatic representation and through American opinion, the strong feeling of the United States Government that (1) Sweden is giving direct and continued aid to the enemy and (2) involved only one question - the question of the defeat of the Axis; that any aid in its or aid to Sweden of any sort, whether on an alleged humanitarian or military basis, be discontinued.

There is a third possibility and I think, one not without merit, and that is that the constant sabotage of power plants and transportation facilities in Germany with the shipments of ore and manufactured goods. I have pointed out that the Germans themselves are not probably susceptible to action of this sort - they are too cautious and the highly electrified railroads can be put out of operation and kept out of operation. Obviously Germany would not do this, and Sweden, even though the saboteurs were not caught, Sweden would know that this was done by America. That, of course, contains the risk of, as the Legations in Stockholm say, "Sweden into the arms of Germany". But again, I must fall back on the fact that under so conceivable conditions will Sweden fight unless she is provoked.

Obviously one branch of government service cannot properly work along one line while other important branches work along a definitely opposite line. These facts to me this feeling of Germany will continue just so long as the American Government feel that it is more important to keep Sweden "friendly and neutral" than to stop her aid to the South. That problem I am afraid is a tough one.

British judgment as to the cure of the ore export situation follows an entirely different line and is, in brief, a plan of constantly attacking ore transportation through the bombing of German boats crossing by the various routes to Sweden, including the Trelleborg Ferry, the destruction of shipping facilities in Sweden. The British Secret Service in Stockholm have written me a full conclusion on this matter which was to come by diplomatic pouch, as I did not dare carry it with me. It has not yet arrived but will be sent to you either by pouch in this report or in a later pouch.

It is impossible to enumerate the sources of the opinions which I have expressed to you. They develop from countless talks with Swedish bankers, shipowners, manufacturers, motion picture people, officers, men in the street - everybody. I do not mean to give you the idea that the opinions which I have given are the opinions expressed to me by Swedes - quite the contrary. It can

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Colonel [illegible]

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November 20, 1942

one of the answers are always the same. One of the answers is to recite without altering a single word.

While in Finland, I was as an official of Paramount Pictures, to cancel my visa for Great Britain to obtain it. I was a passenger but with no visible freight, left Helsinki the morning I took the trip, which was made in an hour. The first view of Helsinki disclosed the same great view of Stockholm - but here the similarity ended. Finland is a small, poor, and unhappy country, beaten and discouraged by the war, and with, I think, little real hope of the future. Their stubbornness holds them to the hope that a miracle will save them from the Russians or that some miracle of the same time. Their minds are closed to the future; but nevertheless they strive desperately to participate in the war is merely against Russia, that is, their only friend, and that in the simple and soft complete forgetfulness after the war of the help that they have given thousands of Russian soldiers tied to the destruction of American citizens and cargoes. There is no other political paradox in the history of the world, more than exists in Finland today.

In this memorandum what appears to be fairly complete freedom among Finnish officials in connection with the war. I was told in Stockholm that it was extremely doubtful if they would make every effort not only through our organization, but through the American Legation to obtain what I desired to see him about and if it was the kind of American newsreels in Finland. Feeling that if I could not go to a minor official, I sent word to him that as a business man to come to Finland for some time and as, I thought, a man most in touch with national feeling in Finland, I sent him my respects to him and bring him a message. Three days later he sent a message to me that he was unfortunately too busy to come to Finland. Accordingly, my discussions were confined to the Cabinet (including Mr. Tanner, the Minister of Finance and formerly in negotiations both before and after the "winter war"), the courts, lawyers, men in the street, and members of my own organization. For certain months in the Finnish Army and then are allowed a brief period to their own work.

The question that Finland is in a desperate situation in its military entanglements, and its supplies of food and its almost psychopathic fear of Russia, its hope of survival, and its fast hold on the tenuous hope that the United States will save it. This is its political situation.

From a military point of view Finland has very little, if any, air defense. In the winter, there were 45 people killed in the center of the

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On the Sunday prior to my visit when one Russian plane landed and dropped two bombs. During one of the days of my stay in Helsinki, in the middle of the day, in clear sunshine. The streets were crowded with conductors of trolley cars and passengers to the shops. Not a human being was visible on the streets. The police, enforcing the law requiring the people to wear masks, were visible, nor did I see or hear any sign of a Finnish plane. Inquiring from Miss as to why Helsinki was not bombed, their opinion seemed to be that Finland had neither planes nor bombs. But my real mind would substantially destroy every hope of peace. The whole national attitude is, I think, an attitude of waiting and waiting and waiting.

As for the Finnish Army whom I know and can trust, it was not at all certain which we have had as to the location and action of the Finnish Army. Substantially all of the Finnish Army is in the northern and eastern front with few Finns, except as they are in the Finnish Army is substantially located in the South. I was told that substantially all of the divisions or companies of the German Army are in the closed trains, with knowledge of their movements to the Finnish High Command. There is little or no fraternizing between German and Finns, and substantially all of the German Army, as well as of every sort, and even telephone poles (as well as wood in Finland), is brought over by the German Army. The Finns, if they have any admiration for anything, is admiration for German organization. The Finnish officials, I think, are of the opinion that there has been practically no fighting for the Finnish Army. Their feeling is reflected in general by the Finnish people.

- (1) Let "Germany" do it.
- (2) Germany has encouraged them by not taking Leningrad from the South and West.
- (3) Finland has been bled white in her loss of men through the "winter war", and her activity in 1941, and she fears the loss of additional men.
- (4) The lack of opinion in favor of any territorial aspirations, and the national desire only to get their old borders back.
- (5) Finland, their intense desire to ride both horses and keep the friendship of the United States by holding the status quo and the failure-to-attack-Russia story.

On the continuous statements that

- (1) If the United States breaks diplomatic relations with Finland, they will march to the White Sea and
- (2) Finnish influence alone has kept the Germans from cutting the Murmansk line at any point north of the branch line to Moscow.

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Colonel Donovan:

November 20, 1942

Military opinion seems to be that even with the Finns it is doubtful if Germany could cut through this line without large reinforcements. Whether or not this is true, the British, I think, largely feel that we should at least for the present continue diplomatic relations with Finland and not risk any all-out desperate Finnish-German effort against our northern supply line to Russia. As far as it goes, I am convinced from information obtained there that the President and leaders of Finland have a firmly rooted belief that the United States Government has turned against Finland but that the majority of the American people are still pro-Finnish and their firm friends.

True or otherwise, Scandinavia is filled with stories of the inefficiency of the German soldier in the Finnish forests, and the favorite story is that the German soldier echoes with the cries of frightened German soldiers, "Heine, where are you?" While, as I stated, the Finn is admiring of the German organization and strategy, he is cynical and contemptuous of the fighting power of the German on Finnish terrain, and it is not without malice that the Finns have helped to wangle the German army to the north, while they held the south.

The long discussions which I had with Mr. Tanner, the Minister of Finance, were an interesting hour in Finland. Tanner reiterated all of the standardised Finnish viewpoint, which I have discussed above, but when I tried to convince him that a combination of one or combination of nations could defeat the United States he was incredulous and said, "Why are you so sure that you can win the war?" The most careful analysis of our position and production, of manpower, planes, petroleum, ships, and armament brought the reiterated comment "You are a long way away; Finland cannot win."

From a tentative factor as to whether Finland would be influenced by a substantial loan for the purchase of food, and to my comments that Finland was in pretty desperate shape financially and otherwise, he stated that a loan would be of no value to Finland now, despite the food and other obvious situations.

While the food situation in Finland is pretty desperate, I was repeatedly told in the best authority that it had greatly improved over last year; but it was a pleasant sight to watch several hundred women congregating at different points in the harbor waiting with the hope that a fisherman would come in with a small catch. The national bread is practically uneatable; and while the vegetable and fruit crops have been good this year, there are widely expressed fears of national starvation in the late winter and spring prior to the new crops. Meat is almost unknown; nevertheless, the black market flourishes, and at one or two restaurants in Helsinki it is possible to dine at fabulous prices on food which would be the equal of almost anything in New York or London. The cost of living to the average Finn is fantastic, and the general index based on 100 in 1939 runs now about 300. Strange inequalities exist, however, and in the hotels most of the best apartments (which, for instance, are very cheap) are occupied by German civilians or officers, whose smart uniforms form a striking contrast to the shabby Finn. However, there is little difference in the shabbiness of the German common soldier seen on the street as compared with the Finnish soldier.

The position in which Finland now finds herself is, I regret to say, in my opinion largely her own fault. However much the Finns may cry to Heaven that they were attacked by Russia in 1941 coincident with the German attack on Russia,

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Colonel Daneman

November 20, 1942

my own opinion is that their President and politicians thought they saw an opportunity in 1941 to regain their old borders, and promptly took advantage of the situation. Later they were unable or unwilling to refuse help from Germany, and now find themselves in a political trap from which they are unable to extricate themselves. The mentality of the Finn is unquestionably the most stubborn in the world. No logic or reason will often appeal to their opinion once formed.

From the point of view of possible propaganda efforts by America and Finland, my recommendations would be largely similar to those made in earlier pages of this report in connection with Sweden - excepting that the information coming from America to the Finns in America should be to the effect that this is a total war, as regarded by everyone in the United States. There is only one question involved in it and neither the Finns nor any other nation can wage a conventional war and set it apart in a cupboard in a far corner of the world. The Finns should be made to understand that the United States is not following the soft hearted policy they believe, and that Finnish popularity in the United States is fast vanishing; that even at the risk of a brief German occupation the United States has for a place at the post-war table is an immediate necessity, whether with old boarders or new. They should be made to understand that if they make no such gesture, it is going to be extremely difficult for the United States to refuse Russia any position she desires in Finland after the war. The plan that Russia held the fort for many months while the United States was preparing.

Incidentally, this last theory is of no small importance in propaganda to Sweden, for the Swedish fear of Russia is almost as great as the Finnish fear, and in the mind of the average Swede about the most terrible thing that could happen to him and his country would be the occupation of Finland by Russia.

In the determination of the question of maintenance of American diplomatic relations with Finland, the final decision must be almost entirely a military one, and a judgment of whether or not the Russians could hold their present positions if the Finns did. It is my own opinion that we are correct and of service to ourselves and to Great Britain in continuing these relationships on the basis that even if Finnish and German action is holding about 25 Russian divisions in the North, it is of no tremendous military importance so long as the present status quo is maintained.

Miller

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Colonel Donovan

November 26, 1942

AGENDA

Without undue excuses, I want to say that I have been in great haste to prepare this brief report to you so that it might reach you before the negotiations with the Swedish Ministers are concluded in Washington. Even with such speed as I have been able to make, I may have failed in this desire. I have not even taken time to re-write a sentence of this dictation and, accordingly, it is doubtless somewhat disordered and in places obscure. This I know you will understand.

Since I started this dictation Calvin Hoover has arrived in London and I had lunch with him yesterday when we had a thoroughly complete discussion of the Scandinavian situation. I have urged him strongly to make the trip to Sweden, and I am sure that I can place facilities at his disposal which will be of great aid to him. Unless he has the bad luck which I had in Scotland, he should be able to make the trip and accomplish a great deal within a very few days; on account of the fact that his basic knowledge of the Scandinavian situation is so much greater than mine, he can accomplish much more in a shorter time. I have urged him to go in any possible way, if he can, except as a representative of the State Department; and in this connection I can be of some service.

In the haste of writing this report there is one important subject which I have neglected to cover but which can be easily handled by Mr. Hoover or by the Commercial Attache of the Stockholm Legation in case a decision is made to proceed along this line. That is the possibility of an American agent bidding up the price of the Swedish ore and/or fabricated metals to a point where the Germans will be greatly hampered and the Swedish credit to Germany strained even more severely than it is now. This, I suppose, is a problem for the Board of Economic Warfare, but it should be considered.

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Griffis, Stanton 7990

PARAMOUNT PICTURES INC.

TIMES SQUARE
CHICKERING 4 1040NEW YORK
CABLE ADDRESS: PARHINSTANTON GRIFFIS
CHAIRMAN, EXECUTIVE COMMITTEE

June 1, 1943

General William J. Donovan
Office of Strategic Services
25th & E Street
Washington, D. C.

Dear Bill:

I have had my best contacts in Washington trying to pave the way in connection with the matter which we discussed in New York, but I have received very little encouragement from them or from the State Department, the tops with whom they talked, either as to the possibility of getting a priority travel permit or a visa. Apparently the State Department has some kind of a deal, or some kind of an arrangement has been forced upon them by our Allies in that part of the World, whereby practically no visas are granted under any pretext except possibly to War Correspondents. This I might possibly be able to arrange through either my friend Sulzberger of the Times or Mrs. Reid of the Tribune. I shall make a try along this line.

There is some possibility of my getting in through private arrangements via Sweden. This on account of the fact that our Foreign Department tells me that our Stockholm man has a remarkable standing with the Russian Motion Picture people. He and I are both good friends of the head of the Swedish Air Lines.

Would there be any objection from your point of view if I send a cable along the following lines to our man in Stockholm?

"COMPANY ANXIOUS TO HAVE ME STUDY CURRENT AND POSTWAR POSSIBILITIES FOR PARAMOUNT PICTURES IN U.S.S.R. IS THERE ANY POSSIBILITY OF YOUR ARRANGING A VISA FOR ME IN STOCKHOLM IF I COME OVER, AND IS THERE ANY POSSIBILITY OF OUR GOOD AIR FRIEND THERE ARRANGING TRANSPORTATION THROUGH SWEDEN TO MOSCOW. PLEASE CABLE ME EARLY DATE. REGARDS."

I am a little on the fence regarding this cable but hate to make a go on a wild goose chase to Stockholm without inquiry from here. Perhaps Hoover or Robinson could throw some light on the situation.

PARAMOUNT PICTURES INC.

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General William J. Donovan

June 1, 1943.

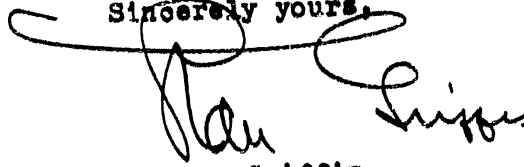
I am a little worried about your going away on your vacation while I am working towards the end which we discussed. It is so hard to get you on the telephone that I will appreciate it if, when you get a few minutes, you could call me and tell me perhaps how much time there remains to possibly discuss it with you, or with whom I should discuss it in your absence, just in case I cannot reach you.

I am trying to clean up some absolutely essential (if any business is essential in wartime) Paramount financing, which I hope to have finished this week. I could then plan to come down to Washington, and could see Hopkins if all else fails.

I had a swell time the other evening. Thanks for asking me.

Best regards.

Sincerely yours,


Stanton Griffis

SG:G

Griffis 7990

OFFICE OF STRATEGIC SERVICES

INTEROFFICE MEMO

TO: Colonel Donovan
FROM: Major Bruce
SUBJECT:

DATE: December 1, 1942

In conversation on November 28th, with one of our men who is leaving for Sweden soon, it was learned that a cousin of Griffis (Hutchins, I believe) recently told our man that Griffis is a representative of OSS. Our own man is quite innocent in the matter. He knows this cousin as the manager of Brentano's in New York and the name of Griffis came up as the owner of Brentano's. This was news to our man, who thereupon quite innocently inquired as to Griffis' whereabouts. The reply was that Griffis is in Scandinavia for OSS.

It seems to me to be extremely unfortunate for Griffis' connections with OSS to be the subject of this sort of conversation.

David Bruce.
David Bruce

SECRET

OFFICE OF STRATEGIC SERVICES

Griffin 7990

STANTON GRIFFIN
CHAIRMAN EXECUTIVE COMMITTEE



TIMES SQUARE
NEW YORK

September 23, 1942

Colonel William J. Donovan
Office of Strategic Services
25th and E Street, N.W.
Washington, D.C.

Dear Bill:

Just a line to remind you that in my absence my apartment is at your disposal, and I shall be very disappointed if you do not use it. The address is 322 East 57th Street, and all you have to do is to telephone my butler, Hallin, at Plaza 3-6666, when you will be in and he and the other servants will look after you.

Every good wish to you.

Sincerely yours,

Stanton Griffin

Griffis

7990

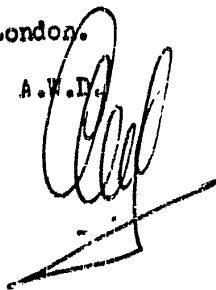
Sept. 23, 1942

MEMORANDUM FOR: Colonel Donovan
Copy to Mr. Hugh R. Wilson

FROM: Mr. Allen Dulles

I attach photostat of clippings from two motion picture papers giving publicity to Stanton Griffis' connection with the OSS. When Griffis called here to see us the other day about his work abroad, I assumed that he was going under "cover" and not on behalf of OSS.

After dictating the above, I learned that Mr. Griffis is leaving by plane tomorrow morning for London.

A.W.D.


Griffis 7990

Sept. 23, 1942

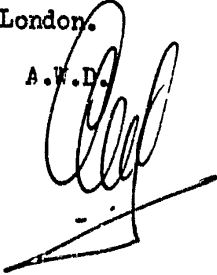
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Friday, August 28, 1942

MOTION PICTURE DAILY

**Griffs Gets Post in
Government Service**

Stanton Griffs, chairman of the Paramount executive committee, will arrive from Washington tonight to wind up business affairs here before assuming a post with the Office of Strategic Services in the capital early next week. It is reported he will take a leave of absence from Paramount for the duration.

Wednesday, August 26, 1942

VARIETY

**STANTON GRIFFS TO
D.C. FOR WAR EFFORT**

Stanton Griffs, chairman of Paramount's executive committee, left New York last Monday (24) night for Washington, where he joins Col. William J. Donovan's Office of Strategic Services. Griffs still is chairman of special events activities of the Navy Relief, but his active work is completed since the full program of events has been lined up. Since he became chairman, the Navy Relief raised close to \$10,000,000.

Griffs' status with Par remains unchanged, although he remains off company payroll, status which has prevailed since he removed himself last April to enter full-time activity with Navy Relief organization. He also is chairman of the Madison Square Garden directorate, and understood this relationship still is unchanged. Reported that Griffs plans carrying on his duties as Par executive committee chief besides his new Washington post, which he accepted as a wartime duty.

STANTON GRIFFIN
CHAIRMAN EXECUTIVE COMMITTEE



6.1.1.1.90
Jill
TIMES SQUARE
NEW YORK

September 18, 1942.

Col. William P. Donovan
Office of Strategic Services,
25th & E Streets, N.W.
Washington, D.C.

Dear Bill:

I came up to New York on Thursday expecting, from the cables which I had received from London, that the visa matter would be cleared and that I would be off tomorrow.

During the day a cable came through to the State Department from Winant, stating that he had taken the matter up with the British Foreign Office as of the 15th and that the problem in connection with the Finnish validation should be cleared as of the 17th, which was yesterday, the same day the cable arrived. However, nothing has come through and this old dead cat is still on the doorstep.

In the meantime I have been working with Mr. Phoenix here in reference to the currency matter and I think I shall be able to make considerable progress along the lines desired and regarding which he or Mr. Dulles will no doubt report to you.

With every good wish,

Sincerely yours,

SG:GL

Griffis 1940
Free

PARAMOUNT PICTURES INC.

TIMES SQUARE
CHICKERING 4 7040NEW YORK
CITY & ADDRESS FAMILIARSTANTON GRIFFIS
CHAIRMAN, EXECUTIVE COMMITTEE

August 19, 1942

Colonel William J. Donovan
25th & E Street, Northwest
Administration Building
Washington, D. C.

Dear Bill:

I have been able to get an apartment at the Shoreham, will be in Washington late Monday night and report to you Tuesday morning, August 25th. I have a luncheon appointment today with Bob Rubin.

Incidentally, our English manager, Mr. David Rose, is in America but is returning to his post next week. If there is anything he can do for you there, he is at your disposal.

Sincerely yours,

SG:mh

Globe-Vernicht

MADE IN U.S.A.

PARTISAN LEADER'S HANDBOOK.

Principles of Guerilla Warfare and Sabotage.

1. Remember that your object is to embarrass the enemy in every possible way so as to make it more difficult for his armies to fight on the main fronts. You can do this by damaging his rail and road communications, his telegraph and postal system, by destroying small parties of the enemy, and in many other ways which will be explained later.

Remember that everything you can do in this way is helping to win freedom again for your people.

2. You must learn the principles of this type of warfare, which are as follows:—

- (a) Surprise is the most important thing in everything you undertake. You must take every precaution that the enemy does not know your plans.
- (b) Never engage in any operation unless you think success is certain. Break off the action as soon as it becomes too risky to continue.
- (c) Every operation must be planned with the greatest care. A safe line of retreat is essential.
- (d) Movement and action should, whenever possible, be confined to the hours of darkness.
- (e) Mobility is of great importance: and therefore where your knowledge of the country and your means of movement — i.e., bicycles, horses, etc. — give you an advantage over the enemy